FOREIGN AFFAIRS

Summer 1984 *$4.95*

Trade and Debt: The Vital Linkage—*William E. Brock*
The American Trade Deficit—*Arthur F. Burns*
Argentina and Democracy—*Edward Schumacher*
Central America: Economic Help Is Workable Now
William H. Bolin
The Population Problem—*Robert S. McNamara*
The Next Soviet Decade—*Robert A. Ford*
Nuclear Arms—*Harold Brown* and *Lynn E. Davis*
Direct Broadcast Satellites—*David Webster*
Who Owns the Antarctic?—*Evan Luard*
Arabs, Israelis and Americans—*Alfred L. Atherton, Jr.*
The Last Dozen Years: What Might We Learn?
William P. Bundy

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Great Performances

11TH SEASON

THE LONGEST RUNNING CELEBRATION OF THE PERFORMING ARTS ON TELEVISION.

Enjoy 52 weeks of the finest music, dance, opera and theater in America.

MONDAY EVENINGS ON PBS

EXXON

© 1984 Exxon Corporation

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS

SUMMER 1984

Trade and Debt: The Vital Linkage . . . . . *William E. Brock* 1037
The American Trade Deficit in Perspective . . . *Arthur F. Burns* 1058
Argentina and Democracy . . . . . *Edward Schumacher* 1070
Central America: Real Economic Help Is Workable Now
William H. Bolin 1096
Time Bomb or Myth: The Population Problem
Robert S. McNamara 1107
The Soviet Union: The Next Decade . . . . . *Robert A. Ford* 1132
Nuclear Arms Control: Where Do We Stand?
Harold Brown and *Lynn E. Davis* 1145
Direct Broadcast Satellites: Proximity, Sovereignty
and National Identity . . . . . *David Webster* 1161
Who Owns the Antarctic? . . . . . *Evan Luard* 1175
RECONSIDERATIONS
Arabs, Israelis—and Americans . . . . . *Alfred L. Atherton, Jr.* 1194
The Last Dozen Years: What Might We Learn?
William P. Bundy 1210
Comment and Correspondence . . . . . *Keith Schlesinger, Stanley Kober, Lloyd C. Irland, Roger A. Sedjo, Norman K. Wessells* 1238
Recent Books on International Relations 1247
Source Material . . . . . *Janet Rigney* 1269
Index—Volume 62 1278

WILLIAM P. BUNDY
Editor

PETER GROSE
Managing Editor

ELISE M. O'SHAUGHNESSY
Assistant Editor

MARK A. UHLIG
Associate Editor

LUCY EDWARDS DESPARD
Book Editor

SHEILA G. BRILL
Assistant to the Editor

LINDA S. ROBINSON
Editorial Assistant

MAE G. BENETT
Assistant to the Managing Editor

DORIS ELIZABETH FOREST
Publisher

MARGARET K. KABLE
Circulation Manager

ROBERT F. SENNOTT, JR.
Advertising Director

GEORGE FISHER
Book Advertising/Promotion

SUSANNAH L. SMITH
Assistant to the Publisher

JOHN GOURLAY
Advertising Manager

ABBIE LITTLEJOHN
Reprints and Subscriptions

Editorial Advisory Board

A. DOAK BARNETT
JAMES H. BILLINGTON
HARVEY BROOKS
PHILIP C. HABIB
CARL KAYSEN
JOHN J. MCCLOY
HARRY C. MCPHERSON, JR.
WILLIAM M. ROTH
FRITZ STERN

Vol. 62, No. 5, Copyright © 1984, Council on Foreign Relations, Inc. Printed in the U.S.A.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We believe readers will find this issue unusually strong and varied. Ambassador William Brock's views on trade and debt are authoritative and in many respects original, as is the analysis of the U.S. trade deficit by Arthur Burns, present diplomat and former central banker. Edward Schumacher then provides a rounded assessment of Argentina, a country now pivotal, and William Bolin, from extensive banking experience in the area, proposes immediate steps for assisting Central America.

Robert McNamara here returns to a longstanding personal and world concern, trends in global population and what might be done about them, while two British authors, David Webster and Evan Luard, examine looming problems—television technology and the Antarctic—that require new thinking. Robert Ford's assessment of the next decade in the Soviet Union comes from the Westerner with perhaps the most postwar service there, while Harold Brown (teamed with Lynn Davis) proposes a new approach to nuclear arms control from his own experience as a negotiator and policymaker in that area.

Under the Reconsiderations heading, still another Ambassador, Alfred Atherton, like Ford a professional, reviews the history of negotiations on the Arab-Israeli problem, again on the basis of unique personal participation and experience. Finally, this Editor draws a long bow in offering selected reflections on the possible lessons of the last dozen years, exercising the licence that may be permitted to one about to depart and renew a pursuit of Clio abandoned in early life for law and the public trough.

This June William G. Hyland (as previously announced) will become the new Editor, and on April 1 Peter Grose, formerly of *The New York Times*, came aboard as Managing Editor. I am confident that both will find their new tasks as challenging and rewarding as I have done—and that they will likewise find themselves incurring incalculable debts to a widening circle of authors and a remarkable readership.

The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any article, signed or unsigned, which appears in its pages. What it does accept is the responsibility for giving them a chance to appear there.* The Editors.

Foreign Affairs is published five times annually by the Council on Foreign Relations, Inc., Editorial Office, 58 East 68th Street, New York, N.Y. 10021. The Editors will consider manuscripts submitted, but assume no responsibility regarding them. Cable address Foraffairs, Inc, New York. Inquiries concerning subscriptions, permissions, and reprints should be sent to *Foreign Affairs* Reader Services, 58 East 68th Street, New York, N.Y. 10021, or telephone (212) 734-0400. For subscription problems, telephone (800) 525-0527. For information concerning *Foreign Affairs* advertising, telephone (212) 734-0400. *Foreign Affairs* is a member of the Leadership Network advertising group. Telephone Robert F. Sennott, Jr., at (212) 684-5500. Subscription price U.S. $25.00—Foreign $32.00 per year. Subscription air mail rates are available upon request. *Foreign Affairs* is a member of the Audit Bureau of Circulations and the Magazine Publishers Association.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

William E. Brock

TRADE AND DEBT: THE VITAL LINKAGE

The international financial community can assess its management of the international debt "crisis" of 1982–83 with a certain sense of satisfaction. Creative ad hoc solutions to individual countries' problems kept adequate credit flowing. Unpredecented cooperation among the International Monetary Fund (IMF), central banks, and private lenders restored confidence and prevented the "crisis" from playing out to a tragic conclusion—massive defaults, the freezing of new credit, bank failures, and perhaps ultimately a worldwide depression.

Nevertheless, many of us in international trade view the current situation with lingering misgivings. For the moment, the most critical stage of the crisis appears to have passed, although any fluctuations in interest rates would have a dramatic effect on debt levels. The enduring effects of the international debt situation on trade are apparent, and some of the most serious may not yet be fully felt.

The short-term effects are seen most directly in trade flows. Debtor countries were forced to cut back drastically on imports within a very short time; exporters in industrialized nations felt the impact almost immediately. To maintain these exports and to enable high-debt economies to purchase imports, it is necessary for industrialized countries to continue to provide export credits. The United States already has made efforts to extend export credit guarantees and insurance through the Export-Import Bank. However, it will be necessary to expand such efforts on a multilateral basis to avoid interruptions in commercial transactions and economic activity in high-debt countries.

However, the long-term effects of the international debt situation will be more difficult to resolve. For example, the need for high-debt countries to increase exports, while curtailing nonessential imports, creates strain in the international trading system. Industrialized countries, which feel they are losing export markets while

---

United States Trade Representative William E. Brock III is the President's chief trade advisor and international trade negotiator and chairs the Cabinet-level Trade Policy Committee. Beginning in 1963, Ambassador Brock served four terms as a Congressman from Tennessee before being elected to the Senate in 1970. From 1977 to 1981, he served as National Chairman of the Republican Party.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

being forced to absorb more imports, fall prey to calls for increased protectionism. Avoiding the temptation to resort to protectionism requires a concerted effort by all industrialized countries.

Likewise, high-debt countries need to continue to make sacrifices in domestic policy choices. They postpone taking necessary economic adjustment measures for fear of the social or political consequences, and in the process they only prolong conditions of poor growth and inefficient economic performance.

These countries could hamper their own chances for recovery by avoiding some of the hard policy choices now facing them. If they refuse to open their markets and fail to adopt more outward-looking economic policies, they will be stuck with lower growth rates and less efficient export production. At the same time, failure to institute reforms and to liberalize their trade regimes could undermine the industrialized nations' efforts to dampen protectionist pressures, ultimately leading to decreased access for the high-debt countries' exports. Such an outcome would be a prescription for disaster: high-debt countries would fail to establish conditions for growth, both internally and externally.

We are, fortunately, a long way from the brink.

There is much we can do to avert an international trade crisis. First, industrialized countries need to keep markets open for exports from the high-debt countries. At the same time, debtor countries need to adopt policies which contribute to their long-term competitiveness and which foster conditions for real and efficient economic growth. Fiscal and monetary discipline are prerequisites. Then trade liberalization, as a part of a multilateral effort to reduce trade barriers, could be instrumental in ensuring growth in global and domestic commerce.

In addition, increased attention to the trade effects of adjustment programs negotiated by the IMF and World Bank loans not tied to specific projects will help to ensure that economic assistance preserves the benefits of international trade. Beyond such direct institutional coordination, trade and finance officials can benefit from increased contact and from a greater awareness that each field has significant implications for the other.

In the pages which follow, I discuss the increasing importance of developing countries in international trade and the effects which their often restrictive trade policies have on their own economies and on the international trading system generally. This is followed by a brief overview of the origins of the international debt crisis. Then the search for a trade-oriented solution to the debt crisis is reviewed, both in its multilateral and bilateral aspects.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The discussion concludes with a consideration of the role which a new round of multilateral trade negotiations could play in increasing the prosperity of developing countries (especially the high-debt nations). The importance of foreign direct investment as a source of additional resources and the need for adequate flows of credit to finance trade are also highlighted.

II

Trade between industrialized and developing countries expanded enormously during the 1970s. The share of developing country exports in the consumption of manufactured goods in the industrial countries doubled over the decade—from 1.7 percent in 1970 to 3.4 percent in 1980. The United States has absorbed a substantial portion of these shipments. In 1982, for example, of total exports of manufactures from developing countries to the major industrialized nations (the United States, the European Community, Canada and Japan), 55.6 percent went to the United States alone.

At the same time, exporters in industrial countries found growing markets in developing countries. This too was especially true in the case of the United States. Overall, developed country shipments to the developing countries, as a share of total exports, grew from 23 percent in 1973 to 28 percent in 1980. For the United States, at the end of the decade, the comparable figure was just under 40 percent. This share was greater than total shipments to "traditional" export markets—Europe and Japan. Until 1983, Mexico was our third largest export market, behind only Canada and Japan. Last year, Mexico moved to fourth place as a result of the debt situation.

In short, developing countries are no longer an insignificant influence in world trade, particularly in manufactured goods. By 1980, they had made their presence felt and in many instances were having an important influence on domestic prosperity in industrial countries, through import competition and through purchases of developed countries' goods and services.

A country's basic orientation toward trade—whether it chooses to insulate its domestic economy from external influences or opts to expose its farms and factories fully to international competition—has fundamental implications for its overall growth prospects and economic development. Economists have argued that outward-looking trade policies, with their emphasis on realistic pricing and exchange rates, and less government interference in the operation of the economy, contribute to more efficient production and higher rates of growth.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The international debt difficulties of the recent past emphasized the importance of countries' trade policies by exposing major differences among countries in their abilities to cope with large debts. In general, those countries that have followed an outward, market-sensitive orientation for the longest periods have been better able to weather debt difficulties than those which relied less on market forces to guide economic policies.

This should not be surprising. Countries following an outward-looking orientation are more likely to avoid excessive restrictions on imports needed for the production of exports, and they are less inclined to hamper their private sectors with burdensome government regulations. They are also more likely to rely on prices to allocate scarce resources. The relative openness of such economies in turn makes them more attractive as sites for investment, strengthening the export sector to an even greater extent. Success breeds success.

An import substitution strategy, by its very nature, increases the role of government in managing the economy. It introduces price distortions in the production process. It also discourages realignment of the exchange rate in response to balance-of-payments disequilibria. Import substitution frequently is administered through a system of tariffs, or more often, quantitative restrictions regulated by complex import-licensing systems.

Governments control (or sometimes prohibit) the flow of goods through allocations of import licenses and foreign exchange. Domestic production fostered by such protection is not internationally competitive, and exporters using the domestically produced item are forced to purchase it at a higher price. Consequently, to enable the exporter to compete in the international marketplace, the government must subsidize exports in some way to compensate for price distortions. As a result, the system becomes doubly burdened; the government first allocates resources inefficiently and later has to pay for the resulting export inefficiencies.

Finally, the policy tends to make currency realignment less attractive as a way to readjust prices because the government consciously seeks to use exchange rates as a way to keep the prices of needed imported capital goods as low as possible. The typical result is an overvalued exchange rate, which discourages exports and encourages imports. Additional quantitative restrictions on trade and capital controls become necessary. Such policies contribute to extensive governmental control over business activity and discourage investment. At a minimum, such policies encourage an ineffi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cient allocation of resources within the economy, setting the stage for future economic problems.

A market-oriented export promotion strategy, combined with sound macroeconomic policies, is a more certain avenue to efficient, sustainable economic growth. It has been found that export growth rates accelerated appreciably following a switch in the trade regimes of Brazil, Colombia and South Korea from import substitution to export promotion.[1] In each case where such a shift had taken place, the country experienced an especially rapid growth of manufactured exports, an important precursor of economic growth.

These findings mirror the way that various developing countries handled the international debt situation. First, it seems clear that the magnitude of a country's external debt is not what determines how serious the difficulties are going to be. Korea, for example, is among the five highest debtor nations among developing countries. Yet Korea has emerged from the international debt crisis in reasonably good shape. This is attributable to its success in building a diversified, competitive export sector that has enabled the country to service debt burdens. Moreover, its prospects for future export growth arouse great international confidence.

In one of its *World Financial Markets* reports last year, Morgan Guaranty Trust Company highlighted a revealing statistic contrasting the export capabilities of debtor countries in Latin America with those in Asia: exports of goods, services, and private transfers as a percent of nominal gross national product in 1982 for the Latin American debtors were *less than half* those for major Asian borrowers.[2] The comparable figure for Brazil was eight percent; for Korea 44 percent. The debt burden can be borne by borrowing less and cutting back on imports, or by exporting more. Ultimately, there are limits to austerity; export expansion offers the only sure way out of the debt situation in the long term. It is evident that debtor countries in Latin America could benefit substantially from a major effort to expand exports, along with moves to implement adjustment policies too long postponed while access to external capital was relatively easy.

The willingness of industrialized countries to maintain open markets and to take additional liberalizing measures will depend, in part, on actions undertaken by the developing countries them-

[1] Anne O. Krueger, *Trade and Employment in Developing Countries*, Vol. 3, *Synthesis and Conclusions*, Chicago: University of Chicago Press (for the National Bureau of Economic Research), 1983, pp. 43–46, 51–54.

[2] "Global Debt: Assessment and Long-term Strategy," *World Financial Markets*, Morgan Guaranty Trust Company of New York, June 1983, p. 4.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

selves. To the extent that high-debt developing countries postpone liberalization of their own markets, arguing their need to limit imports while expanding exports, industrialized countries will face the prospect of increased trade deficits. Their exports to developing countries will have slowed at the same time that they are being urged to absorb increased imports from developing countries.

As has happened in the United States, which owes a significant portion of its record 1983 trade deficit to depressed export trade with high-debt countries, there is a growing dissatisfaction with the lack of market access abroad, which leads to increased calls for protection at home. Although our own trade deficit is aggravated by the current high value of the dollar, it is easy for interest groups to focus on lack of access to overseas markets as a justification for limiting access domestically.

Action by developing countries, especially by those which are more economically advanced, to liberalize their own markets could do much to defuse such calls for protection. Preserving market access in industrialized countries is particularly vital for the high-debt countries, which will depend increasingly on expanded exports to improve their economic situation. If these countries avoid making necessary adjustments in their regimes now, not only will they hamper their own prospects for growth and perpetuate their vulnerability to a new debt crisis, but they also run the risk of losing some of the market access they presently enjoy. It is unlikely that the high-debt countries will be provided with greater market access to the industrialized countries in the absence of such liberalization.

III

In analyzing the origins of the international debt crisis, one is tempted to assign blame. It is easy to conclude that too many banks were making too many questionable loans in search of easy profits. It is also easy to chastise borrowing countries for relying on easily accessible foreign capital while putting off some of the policy changes that would have enabled them to cope better with the changing economic environment. However, the effort to identify a guilty party obscures our understanding. Undoubtedly, mistakes were made—both by the commercial banks and by the borrowing countries—but it also could be argued that the major fault was a general willingness to be too optimistic—to assume that the economic conditions of the 1970s would continue indefinitely.

Rapid-growth international lending became possible after the 1973 oil shocks, when large amounts of wealth were transferred within a short period to oil-exporting nations, which then deposited

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

petrodollars with Western banks. The banks were eager to put the capital to productive use. Demands for capital eventually outstripped what was available from recycling, and banks extended new lines of credit. Inflation and relatively low interest rates during the period ensured that real interest rates on loans were quite low, or even negative. Accessibility to foreign capital made it possible for creditworthy oil-importing countries to borrow the funds they needed to meet growing current account deficits without having to make fundamental adjustments in their economies to respond to the changing real cost of energy.

At the time, many countries preferred to cushion domestic economies from the external effects by pursuing stimulative economic policies and shoring up uncompetitive industries through subsidies and protection. Inflationary domestic policies and slower growth led to ever higher current account deficits and an increasing need for external borrowing. Oil-exporting countries, in some cases, also borrowed abroad extensively, banking on untapped oil reserves and expected export receipts from petroleum to finance ambitious development projects.

The second oil shock in 1979 precipitated the chain of events which eventually led to the debt crisis in 1982. The policy response to the first oil shock had been for the leading Western economies to inflate and pull the rest of the world out of recession. By 1979, concern about inflation was overriding, especially in the United States and Britain, and tight monetary policy was seen as the best way to curtail inflationary pressures.

The world economy experienced rapid changes, which in combination caused severe problems for debtor countries: in addition to higher oil prices, the real exchange value of the dollar appreciated by 55 percent, interest rates soared, and a world recession led to low demand for debtor country exports (and increased protectionist pressures in cases where their exports remained competitive). Much of the outstanding debt was denominated in dollars, and much of it was short-term debt, lent at floating interest rates, so that interest increases showed up quickly in debt service figures. At the same time, lower demand for primary products as a result of recession led to a decline in many developing countries' export earnings.

Lower oil prices after 1981 did not appreciably alleviate the situation. Although lower oil prices obviously were of considerable benefit to oil-importing countries, oil exporters experienced a marked reduction in their export earnings.

The Council of Economic Advisors has estimated that the net

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

effect of lower oil prices after 1981 was to exacerbate the level of indebtedness among countries. Although the drop in the price of petroleum had a positive effect by lowering oil import bills for many countries, it also greatly reduced revenues for oil-exporting nations, whether or not they were members of the Organization of Petroleum Exporting Countries. Thus, just as the increase in petroleum prices in 1973–74 had initiated the chain of events which ultimately culminated in the international debt crisis, so did the subsequent softening of the oil market intensify the balance-of-payment situations facing a number of countries.[3] The Council attributes the difference from 1973–74 to the fact that, by 1981, oil-exporting countries also had amassed extensive debt obligations.

On the face of it, the banks' approach to international lending at the time did not appear unreasonable according to the indices used to assess countries' creditworthiness: the ratio of debt-service payments to exports, or the ratio of overall debt to exports. Because developing countries as a group were growing rapidly and maintaining healthy export levels until the end of the 1970s, their overall debt-service-to-export ratio did not change over the course of the decade. For all developing countries, the debt-service ratio in 1970 was 13.5 percent; in 1980, the figure was barely changed at 13.6 percent. By 1982, however, this figure had risen to 20.7 percent (estimated).

This rapid increase reflected higher incidences of short-term debt, the effect of variable interest rates on overall debt service, and the impact of lower export earnings. Overall debt levels kept pace with aggregate export growth during the 1970s, but the composition of the debt shifted from primarily medium- and long-term loans increasingly to short-term borrowing (at least partly because the latter was easier to get). The ratio of debt-to-exports increased from 76 percent to 104 percent between 1980–82; with short-term debt added in, the final ratio jumped to 150 percent.[4]

Such aggregation, of course, obscures differences among countries. Commercial banks based their lending decisions, at least in part, on their assessment of a particular country's export and investment growth potential. As long as growth prospects looked promising, and provided that a country's political situation did not change drastically, it seemed reasonable to continue lending. All it took for the crisis to come to a head, and for everyone in the system

[3] Council of Economic Advisors, *Economic Report of the President, 1984*, Washington: GPO, 1984, p. 75.

[4] *World Development Report 1983*, Washington, D.C.: The World Bank, pp.20–21.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to be brought up short, was a loss of confidence—in this case triggered by Mexico's announcement in August 1982 that it no longer could pay its debts. Financial flows had begun to tighten in the middle of that year, but in the wake of the Mexican announcement, it was then understandable that Brazil, Argentina, and gradually other higher-debt nations, would find the banks no longer willing to make new loans. It was at this juncture that coordinated intervention was necessary to avoid massive defaults.

The largest concentration of debtor countries was in Latin America, and the major portion (about 40 percent) of their debt was held by U.S. banks. Not only were the financial risks of default high—with over $300 billion in outstanding debt—but the potential trade effects of not managing the situation successfully were substantial. The export sector of the U.S. economy has been the fastest growing in recent years, accounting for four out of every five *new* jobs in the manufacturing sector. Because of close regional ties with Latin America, about 13 percent of our total exports is directed to those markets.

In the case of Mexico, exports fell by $10 billion between the end of 1981 and the end of 1982. It has been estimated that each billion dollars in U.S. manufacturing exports translates into 24,000 jobs. Thus, the Mexican debt crisis alone resulted in a loss of roughly 240,000 jobs for the U.S. economy. Even if the debt crisis had not spread to other countries, these figures demonstrate that the United States had a clear self-interest in helping to manage the crisis in Latin America so that the region could regain economic stability and avoid political upheaval.

IV

The international financial community has averted a very major disaster. Joint efforts to restructure developing countries' debts have been front-page news, with international bankers attracting a degree of media attention formerly reserved for television or sports personalities. At the same time, less dramatic but equally important efforts have been underway to solve the fundamental balance-of-payments problems of high-debt developing countries and return them to the business of economic development.

For at least the past two years, the Third World debt situation has permeated multilateral efforts to improve the trading system and has been a central factor in the formulation of U.S. trade policy.

The participants at the Ministerial Meeting of the General Agreement on Tariffs and Trade in Geneva in November 1982 clearly

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

recognized the links among poor economic growth, high debt and international trade. The combination of debt problems and poor economic growth throughout the world was pushing trade in a restrictive direction. Good intentions to resist protectionist pressures were likely to be insufficient without a broader, comprehensive effort to move world trade in a liberalizing direction. The ministers in Geneva responded to this situation by committing their governments to resist protectionism while working within the GATT to address in a comprehensive and coherent manner the shortcomings of the trading system not resolved by the Tokyo Round.[5]

Throughout 1983 the GATT examined ways in which trade and trade policies could alleviate the problems of the high-debt countries. Discussion of the trade-finance link and possible means to improve coordination of trade and financial policies dominated the two meetings of the GATT's informal steering group, the Consultative Group of Eighteen (CG-18).[6] Measures considered by the Group included the reorientation of the GATT's balance-of-payments consultative process to include an examination not only of the trade policies of the high-debt countries but also of those of their leading trading partners; increased efforts by the GATT to inform the World Bank and IMF of the trade policies of those countries consulting with the Fund; notification to the GATT of the trade policy commitments agreed to by countries consulting with the Fund; the possibility of synchronizing the GATT consultations with those of the Fund; and the desirability of quantifying the potential impact which trade liberalizing measures undertaken by a high-debt developing country's major trading partners may have on its balance-of-payments situation. Unfortunately, many of these

[5] The Tokyo Round, inaugurated in 1973 and concluded in 1979, was the seventh round of multilateral trade negotiations to be held under the auspices of the GATT. The round continued the traditional approach of negotiating reductions in tariffs, but also broke new ground in the negotiation of multilateral codes to discipline the use of proliferating non-tariff barriers. These codes covered the areas of export subsidies, government purchases, technical barriers to trade (standards), customs valuation, and import licensing. Several important matters affecting international trade, however, were still outstanding at the close of the Tokyo Round. These included strengthening GATT coverage of trade in agricultural products, an area which has remained outside GATT discipline thus far; achieving multilateral agreement on the use of safeguard measures; and a code to discipline the trading of counterfeited goods. These, and a number of emerging areas of international trade, such as trade in services, high technology goods, and trade-related restrictions on investment, were taken up by the trade ministers in 1982.

[6] The Consultative Group of Eighteen was established in 1975 as a temporary body and later made permanent in 1979. The group serves as an informal steering group and provides the GATT Secretariat with an overview of international economic developments. It follows international trade developments in an effort to forestall any sudden disturbances which could threaten trade relations in general. It also is responsible for facilitating international balance-of-payments adjustment, and in that context, seeks to enhance coordination between the GATT and the IMF. Membership in the group rotates among the GATT Contracting Parties (except for the major countries) and at any one time consists of nine developed and nine developing countries.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

worthwhile suggestions have been opposed by several of the high-debt countries.

The GATT permits developing countries to take certain protective measures to alleviate difficulties in their balance of payments; however, actions taken are to be notified promptly to the GATT and reviewed periodically by the Contracting Parties in consultations to determine if a particular country's economic situation might have improved sufficiently to warrant the removal of the measures. The GATT has long recognized that the external trading environment faced by a consulting country has a bearing on that country's efforts to bring about balance-of-payments equilibrium. Such factors have been considered routinely in the course of consultations in the Balance of Payments Committee. But to suggest, as some have done, that steps by the developed countries alone are the key to solving the current crisis, is to ignore the development lessons of the past two decades. Liberalizing steps by developed countries must be accompanied by similar measures on the part of developing countries.

Recently, the GATT Secretariat completed its study of the possibilities for increasing trade between developed and developing countries, which was requested by the GATT Ministerial Meeting in November 1982. The findings and recommendations of this study should provide the basis for more serious discussion of the potential benefits of additional trade liberalizing efforts by developed and developing countries alike.

Concern about protectionism and the threat of a more restrictive international trading system has not been confined to the GATT. The meeting of the joint Development Committee of the IMF and the International Bank for Reconstruction and Development in April 1983, the Organization for Economic Cooperation and Development (OECD) Ministerials of 1983 and 1984, and the recent economic summit meetings all identified the need for trade liberalization as an essential condition for successful adjustment by developing countries and for a durable global economic recovery.

In its discussions of the trade-finance link since it took up the subject at its April 1983 meeting, the Development Committee has stressed that open markets for developing countries' exports are indispensable to the adjustment programs being undertaken with IMF resources. The Fund has backed up this prescription by conducting more rigorous analysis of developed countries' trade regimes in the context of the Fund's Article IV consultations. (These consultations, conducted annually between the Fund's staff and each Fund member, review each member country's monetary,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fiscal, trade and other economic policies.) This is entirely appropriate, and closer cooperation between the Fund and the GATT could make the consultations even more meaningful.

At the same time, the Development Committee has stated clearly that developing countries should liberalize their trade regimes too. Shortages of foreign exchange will necessitate a slower pace of liberalization by some developing countries than would otherwise be the case, but the Committee has left no doubt that the correct direction for policy, even in very heavily indebted developing countries, is toward more open trade and exchange. This orientation is increasingly reflected through inclusion of more specific trade-related measures (e.g., replacing protection through quotas with a tariff-based system) in the Fund's individual adjustment programs.

The Development Committee's articulation of the linkages between the removal of distortions in developing countries' economies and the effect of such liberalization on their economic growth has provided a strong underlying rationale for a rollback of existing trade barriers. These actions are encouraging evidence that international institutions are moving beyond rhetoric on the issue of the trade-finance link.

Political commitments to resist protectionism and to dismantle trade barriers are the first step in reversing the momentum of protectionism. Recognizing this fact, the members of the OECD have undertaken an examination of recently imposed trade barriers and trade-distorting measures in basic industries, with the objective of effecting a progressive, mutual dismantling of such measures. While it will be some time before the major trading countries actually take the concrete trade-liberalizing steps to which they have agreed in principle, this process has led the industrialized countries to focus on trade liberalization as the appropriate means to promote economic recovery and to maximize the chances for success in the developing countries that have launched major adjustment programs.

In order to generate sufficient momentum in dismantling existing barriers, the trade ministers of the four major trading entities—the United States, the European Community, Japan and Canada—have held several informal meetings. Beginning in the summer of 1983, the so-called "Quadrilateral" countries began to identify actions that they could take to reduce trade frictions and to set international trade firmly on a liberalizing track. The four gave priority attention to accelerating the tariff reductions agreed to in the Tokyo Round, originally scheduled for full implementation on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

January 1, 1987. By completing the Tokyo Round implementation two years ahead of schedule, a positive signal would be sent to the world trading community that the four major trading partners were prepared to push the system and their own countries in the direction of more openness and, therefore, greater opportunities for outward-looking developing countries. Japan, Canada and the European Community have recently informed the United States that they are prepared to accelerate their Tokyo Round concessions when the United States is prepared to do so. The Reagan Administration has submitted a legislative proposal to the appropriate congressional committees and is working for rapid passage.

A second item under consideration by the Quadrilateral group is the removal of barriers to the imports of the least-developed countries. Here again, the United States intends to extend duty-free treatment to trade with the least developed, provided other countries do the same.[7] The Executive Branch is consulting with Congress to develop appropriate legislative proposals. Our trading partners are supportive of this step as well.

The success of the Quadrilateral process has prompted us to apply the same format to a wider grouping, including several key developing countries. In early May, trade ministers from the Quadrilateral countries, Australia, New Zealand, Korea, the Association of Southeast Asian Nations, India, Brazil, Mexico, Sweden, Switzerland, and Yugoslavia met to discuss means of strengthening the trading system and promoting adjustment. While it is too early to predict what new steps may be taken as a result of the meeting, it proved particularly useful in gaining a better understanding of the political and economic constraints currently facing each government.

It is becoming increasingly clear that the time for a new multilateral round of trade negotiations is ripe. In view of their increasingly significant role in international trade, developing countries must be active participants in any new round if it is to be successful. And they should involve themselves from the earliest planning stage for a number of reasons: first, a new round would strengthen the political determination in all participating countries to resist the protectionist pressures which still remain strong.

Second, turning the tide on protectionism can be of direct benefit to the debtor nations, which must rely on access to the industrial

[7] In the case of the United States, the eligible least-developed countries would be: Bangladesh, Benin, Bhutan, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Gambia, Guinea, Haiti, Lesotho, Malawi, Maldives, Mali, Nepal, Niger, Rwanda, Somalia, Sudan, Tanzania, Uganda, Upper Volta, Western Samoa, and the Yemen Arab Republic.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nations for their exports if they are to overcome balance-of-payments deficits. Security of access to industrial markets for their goods creates a greater incentive for investors than do measures such as unilateral, temporary tariff preferences. Increased investment flows can be a vital source of new capital for these countries, in addition to the traditional benefits foreign direct investment offers, such as increased employment and access to technology and know-how.

Finally, enough time has passed since the Tokyo Round to enable us to identify the critical areas of trade which will be of importance later in this decade and into the 1990s. Developing countries, and especially the high-debt nations, should have a considerable interest in establishing international "rules of the game" to govern emerging areas of commerce, such as services or high technology. The Tokyo Round, through its pathbreaking attempt to set up new multilateral discipline over non-tariff barriers, made a promising start in expanding its mandate into areas not specifically contemplated when the GATT was formed in 1947. But there is much unfinished business left from the last round. For problem areas which have been with us for some time now, such as agriculture, developing countries have an important role to play in making sure that their trading interests are not overlooked as priorities and objectives for a new round are established.

Plans for a new round are in the formative stages at present. The hope is to work with our trading partners closely during the course of this year and into 1985 to identify an agenda and to launch studies in preparation for the new round. Ministers of all the Contracting Parties to the GATT then could convene in 1985 to make the decision to call for negotiations. This is an ambitious timetable, to be sure, but it is an achievable one if all participating countries exercise the political will to keep the momentum going.

Developing countries will be instrumental in this planning and implementations process. An important start for enlisting their participation was the conference in Seoul, Korea, last April. Sponsored by the Trade Policy Research Centre, the meeting brought together trade ministers from most of the Pacific nations for a discussion of priorities for a new round. A key consideration during the conference was to identify areas of primary interest to developing countries. A new GATT round would be the first in which the developing nations were involved from the initial stages.

In past rounds, developing countries generally have chosen to be passive observers. They were reluctant to become involved in seemingly complex discussions, where they felt deficient in technical

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

preparation, and where they were expected to give a measure of reciprocity in return for negotiated concessions. The United States made a promising start with a number of developing country trading partners during the Tokyo Round, when trade agreements were concluded with 28 developing countries. However, the stakes are much higher now, for the developing countries as well as the industrial nations, and it is imperative that we all use the opportunity of a new round to the best advantage.

Trade liberalization no longer can be one-way; it must be reciprocal. The need exists for industrial countries to liberalize their markets and to rationalize their less competitive sectors. However, our ability to do so will be lessened considerably if developing countries do not join in a good faith effort to undertake appropriate reforms. Especially in the case of the more advanced developing countries, it is unjustifiable for them to maintain trade barriers which are inconsistent with their level of economic development or their degree of export competitiveness. For all countries to benefit from a new round, each must be willing to make concessions.

The importance of secure, liberal access by developing countries to world markets is directly relevant to the Reagan Administration's efforts to renew the U.S. Generalized System of Preferences. Since its implementation in 1976, the U.S. GSP has contributed to the growth of developing countries' exports by granting preferential duty-free treatment to a wide range of their products. It not only has enabled developing countries to compete more effectively with developed country suppliers, but it has also facilitated a diversification of their economies, better positioning them to weather the volatile market conditions associated with traditional developing country export products.

Statutory authority for the U.S. GSP expires next January. The Third World debt situation makes renewal of this authority more important than ever, with five high-debt developing countries ranking among the program's top ten beneficiaries. The Administration has transmitted to Congress a GSP renewal proposal that is designed to reinforce the program's development objectives, while also recognizing the need to promote the further integration of developing countries into the international trading system as their economies progress.

V

In addition to the trade aspects of the international debt situation, one of the key longer-term solutions to the debt problem is an increased flow of private direct investment from developed to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

developing countries. Private direct investment provides an important alternative source of foreign capital that has not been adequately tapped by debtor developing countries. Moreover, private direct investment offers a number of notable advantages over private direct bank lending and official assistance. First, no fixed interest payments attach to private direct investment. Earnings need only be repatriated if the investment is profitable. This is in contrast to many of the bank loans made to developing countries in recent years that went into unprofitable ventures, but for which interest payments continue to fall due. Second, private direct investment is a superior method of transferring technology and managerial expertise to developing countries. This is essential if developing countries are going to improve their productive capabilities, and diversify and expand their economies and international trade potential.

Finally, the existence of foreign private direct investment in developing countries helps to integrate more fully the economies of these countries into the international political economy. In this regard, it has been my experience that the strongest supporters of an open trading system are companies that have overseas investments, particularly in developing countries. These companies are active participants in the current political debate over U.S. trade policy and are the natural allies of developing countries in ensuring that the outcome of this debate leads to more open, and not more restricted, developed country markets. As such, they are an important counterbalance to the protectionist constituencies that exist today, not only in the United States but in all developed countries. The importance of having politically influential partners in the United States with similar interests is often overlooked, but is crucial to the developing countries' long-term trading interests.

Unfortunately, there exists no consensus in debtor developing countries today that private direct investment can play a positive and important role in helping to resolve the debt problem. Too often, developing countries remain wed to the prejudices and policies of the past that were based on the assumption that foreign direct investment is a source of economic exploitation and a direct threat to national sovereignty.

As a result, many of these countries continue to maintain foreign investment regimes that are overly restrictive and that tend to repel, rather than attract, foreign investors. Under these regimes, foreign investors are subject to a panoply of equity restrictions, local content requirements, export requirements, and discriminatory technology and labor laws, to name a few. Given these burden-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

some foreign investment regimes, in conjunction with worldwide economic recession, unsound macroeconomic policies and concerns about continued access to developed country markets, it is not surprising that potential foreign investors have been reluctant, if not altogether unwilling, to make new investments in much of the developing world.

In view of these circumstances, what is clearly needed to improve the environment and to increase the prospects for meaningful flows of private direct investment to developing countries over the longer term is a concerted effort at reorientation. The Reagan Administration is making such an effort in the conduct of its international investment policy. The policy itself was articulated by the President in September 1983.[8] A major thrust of this policy is to improve the framework for U.S. private direct investment in developing countries through a process of dialogue and negotiation with these countries. In this regard, the Reagan Administration has begun negotiating bilateral investment treaties with interested developing countries. Such treaties are intended to provide a stable legal framework within which U.S. direct investment can flow. For countries where it is unlikely that such treaties can be negotiated in the short term (Brazil and Mexico are good examples), the Administration has initiated low-key bilateral consultations, the intent of which is to encourage these countries to gradually adopt less restrictive and more economically beneficial foreign investment policies that will better serve the trade, investment, and financial interests of these countries and the United States.

In addition, developing countries themselves can benefit from a revision of their own investment policies. For example, Mexico recently amended its Foreign Investment Law to allow 100 percent foreign ownership (previously limited to 49 percent) in certain sectors which the government has targetted for future growth. With the improvement in the Mexican economy, this pragmatic approach toward foreign direct investment could yield considerable dividends. The Reagan Administration fully supports the activities of the Overseas Private Investment Corporation, which are aimed at inducing private investment flows to the developing world through a series of investor insurance and facilitation programs. The Administration has also stepped up the traditional investment promotion and facilitation programs of the Commerce and State Departments (including those of the Agency for International Development).

[8] *International Investment Policy Statement*, September 9, 1983.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In sum, increased private direct investment flows from developed to developing countries must be an essential component of any long-term solution to the international debt problem. In recognition of this fact, the Reagan Administration is pursuing an activist international investment policy in an effort to create an international environment conducive to such flows.

VI

Finally, I must point out that the search for solutions has not been confined to long-term trade liberalization or investment promotion. Major short-term trade financing measures have been taken by the U.S. Export-Import Bank to maintain the flow of U.S. exports to the high-debt developing countries. This has been necessary not only to provide needed inputs and capital equipment (or parts to maintain the existing capital plant) but also to prevent loss of jobs in export-intensive industries in the United States.

While neutralizing foreign credit subsidies through the provision of direct and medium-term credits may have constituted the most important function of the Eximbank in the recent past, increasingly the Eximbank is viewed as a means to ensure access to capital for foreign purchasers through its guarantee and insurance programs. Further, the Eximbank is playing a critical role in providing and "facilitating" bridge financing to developing countries to ease them through short-term liquidity crunches.

Examples of the Eximbank's role as a "credit bridge" are the extraordinary financing programs the Bank has adopted for both Brazil and Mexico. The program for Brazil consists of up to $1.5 billion in guarantees and insurance that may be made available to purchasers of U.S. goods with a host government guarantee. For Mexico, Eximbank has adopted two extraordinary financing programs. The first involves two $100-million insurance facilities with major financial institutions, as well as an increase in the aggregate limit on its insurance facility with PEMEX, the Mexican oil company, from $125 million to $275 million. More recently, an additional $500-million guarantee/insurance facility has been made available to help ensure continued private credit flows in Mexico.

An extraordinary financing facility is not appropriate for responding to every country's liquidity problems. There are costs associated with the program in terms of Eximbank's authority as well as risks inherent in increasing exposure in high-debt countries. However, in selected instances it is an important component of overall efforts to restore liquidity in selected countries.

Another way in which the Eximbank could respond to financing

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

problems experienced by certain high-debt less-developed countries is through greater use of the Export Expansion Facility. The EEF could be used for specific projects rather than as part of a plan to restore the overall liquidity of a country.

The EEF is a revolving fund of $500 million for which the standard for repayment is "sufficient likelihood" rather than "reasonable assurance." This fund could be used to support export transactions for which risks were higher. Such transactions would have to meet some predefined standards based upon factors such as the country's balance-of-payments positions, the impact of the project on host country development, the political importance of the transaction, and compliance with an IMF agreement. It also would be necessary for the Bank to have an acceptable guarantee that would satisfy the sufficient likelihood of repayment standard.

VII

Trade admittedly is not the sole solution to the international debt problem. Even if the United States, Europe and Japan were to drop *all* barriers to developing country exports, such liberalization would apply to only about $4 billion of their trade initially, and even the increased exports that high-debt countries could generate under such circumstances would go only part of the way toward paying off the more than $800 billion in debt now outstanding. However, while trade cannot solve the problem singlehandedly, it is the key to the solution. These countries must be able to sell their goods abroad to service their debts. If their access to industrialized countries' markets is impaired through protectionism, the developed world will be condemning the indebted nations to perpetual financial crisis.

The assumption that all countries will share in a world economic recovery depends upon the industrialized nations' refusal to take a protectionist path. A return to protectionism would slow down the potential growth that international trade could provide and would be a return to mercantilism in its worst sense—forcing each nation to grab whatever wealth it can at everyone else's expense. Of course, such an approach ultimately would help no one—trade flows would stagnate, producers would be unable to import needed components to manufacture goods, and consumers would pay higher prices and face much more limited choice for everything from the most sophisticated personal computer to the shoes on their feet.

Some high-debt countries may hesitate to commit themselves to meaningful trade liberalization in the near future, arguing that their present need to maintain austerity makes it extremely difficult

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for them to implement trade liberalization at this time. It may be, however, that these governments should consider the matter carefully. It will take some time for a new round to be launched and for negotiations to be carried out; economic conditions undoubtedly will be much improved by the time any concessions are exchanged. Some of the new areas being discussed for inclusion in the negotiations, such as agriculture, high technology and services will provide a basis for new planning and investment strategies that could lead to substantial economic growth. Even for more traditional trade in goods—perhaps even for the most sensitive of product areas—*concessions negotiated during the new round would provide developing country exporters with greater security of access to overseas markets than is presently the case. Likewise, multilateral liberalization provides a means to defuse protectionist sentiment in the industrialized countries. It will be more difficult for industries to seek protection if it is clear that fellow exporters will pay the price once countries retaliate for restrictive actions.

The high-debt countries will require extensive flows of trade credits in the years to come. As the economies of these countries regain momentum, imports of goods and services needed to sustain production will increase markedly. A multilateral facility to ensure that such credits are forthcoming, even in times when normal lending may be curtailed, would do much to ensure continued growth. Such a facility would need to operate in concert with the IMF, to ensure that austerity programs are complied with, but the flows it would provide would maintain a productive nucleus within the economies that would form the basis for future growth. Since most of the imports in question likely would be supplied by the industrialized countries, the facility would hardly be a "giveaway"; rather it would generate increased demand for exports in markets which, for the last decade or so, have been among the world's fastest growing.

The debt situation also provides the backdrop against which the debtor nations should evaluate their investment policies. Foreign direct investment in the past has provided developing countries a source of capital, but most importantly, it has provided them with sources of employment, managerial expertise, and access to new technology. These latter services can contribute to the economy in myriad ways, and thus are as significant for their ancillary as for their direct effects.

Mexico provides an example of how debtor nations might evaluate their investment climates. Whatever political criticism governments may encounter for opening up their economies to foreign

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

enterprises will be outweighed by the economic growth the increased investment is certain to generate.

Although we seem past the crisis point in the international debt situation, its aftermath creates a real need to liberalize the international trading system. The debt problem has only been managed, not solved. The high-debt countries in Latin America are not paying principal, and rescheduled debt for Brazil comes due in 1985 and for Mexico in 1987. Thus, the pressure to create the conditions which can reestablish economic prosperity is not diminishing but building continuously.

We can choose to delay the next crisis for a short time, or we can move with foresight to take some of the hard steps which must be taken now, while we have the luxury of selecting options. Trade liberalization is a necessary element in sustaining the global economic recovery and in aiding the high-debt countries in their quest for economic stability.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Arthur F. Burns

THE AMERICAN TRADE DEFICIT IN PERSPECTIVE

In recent years, the strong American recovery in overall production and employment has been accompanied by further deterioration in the merchandise trade of the United States with other countries. The reasons for focusing on American merchandise trade are not merely parochial; it is important for Europeans and others to understand that this poor trade performance of the United States reflects a disequilibrium in the world economy as well as in the American domestic economy. Political strains in many countries have been the inevitable result. The promises made at last year's Williamsburg Summit with regard to international trade and finance have not been fulfilled. If anything, international tensions arising from economic issues have increased during the past year.

Let me begin by reviewing some essential facts about the foreign trade of the United States. Until 1970, the United States enjoyed a surplus in its merchandise trade with the rest of the world. Since then, with oil prices higher and competition from its trading partners keener, trade deficits have been the rule. For a time this served a constructive international role in view of America's surplus on other items in its international accounts. But the trade deficit took a quantum jump toward the end of the 1970s when it reached a rate of about $30 billion per year—a rate that was maintained through the first half of 1982. More recently, the trade deficit has grown by leaps and bounds. The annual rate was $75 billion in the final quarter of 1983, and it is expected to exceed $100 billion during the 1984 calendar year.

To be sure, the deterioration in America's merchandise trade is still being offset to some degree by its traditional surplus on trade in services and on investment income from abroad. Even so, the deficit in the U.S. international current account—which includes the latter items—reached over $40 billion during 1983, and ran at a much higher annual rate in its final quarter. The counterpart of this dramatic current account deficit has been a huge flow of funds from abroad to the United States combined with a sharp contraction

---

Arthur F. Burns, U.S. Ambassador to the Federal Republic of Germany since 1981, was Chairman of the Board of Governors of the Federal Reserve System from 1970–78. This article is adapted from a speech which he delivered to the Industrie Club of Düsseldorf early in April.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in its traditional capital exports. That is hardly a welcome development for a nation with the largest and richest economy in the world.

II

There is a widespread belief in American circles that many U.S. industries can no longer compete against more efficient Japanese firms. There is worry as well that American producers are being victimized by unfair competition from low-wage producers in developing countries and subsidized products of European and other foreign enterprises. Such explanations of the U.S. foreign trade deficit contain an element of truth, but hardly more than that.

The principal causes of America's recent trade deterioration are to be found elsewhere: in the high value of the dollar in foreign exchange markets, in the faster rebound from recession in the United States than in Western Europe or Japan, and in the unavoidable need of debt-ridden developing countries to practice austerity.

The strength of the dollar in foreign exchange markets in the past few years, especially against European currencies, is well known. Between late 1980 and early 1984 the dollar appreciated about 30 percent against the Swiss franc, 40 percent against the British pound, 50 percent against the German mark, and 100 percent against the French franc. The dollar's appreciation against the Japanese yen and Canadian currency was much less. Nevertheless, taking the currencies of the ten major industrial countries together, the dollar appreciated on the average about 50 percent during that period. The high cost of the dollar obviously has made American goods less attractive to foreign buyers, while the low cost of foreign currencies has made foreign products more attractive to Americans. Although the dollar has weakened since the start of 1984, it still retains the greater part of the appreciation against other currencies that occurred after 1980.

Another major cause of America's trade deterioration is the difficulty that many developing countries have been experiencing during the past two to three years in borrowing abroad. By 1982 an increasing number of commercial bankers and other suppliers of credit finally realized that they had been less than prudent in accommodating—in fact, often even encouraging—the eagerness of developing countries to pile up indebtedness. Once lending to these countries was curtailed, one after another of them found it impossible to meet its scheduled debt repayments or even the interest due on its debts. To prevent outright bankruptcy, their

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

governments had to plead for financial assistance from the International Monetary Fund, other governments, and the private financial community; but such help could not remove the need to practice austerity—particularly, to cut imports and expand exports. The nations of Latin America, which have especially close commercial ties with the United States, were foremost among those suffering a shortage of foreign exchange. Not surprisingly, the dollar value of our exports to Latin America was cut almost in half between the first quarter of 1981 and the final quarter of 1983.

A third factor in America's trade deterioration is the uneven cyclical development of the major industrialized countries. Economic recovery began in the United States toward the end of 1982 and gathered momentum rapidly. Canada's economy recovered at about the same time and advanced almost as rapidly. Other industrial countries did not do as well. Japan's economy continued to advance but at a diminished rate. Great Britain and Germany recovered more gradually than the United States, while the rest of Western Europe continued to experience stagnation or recession. Because of the lag in the recovery process outside the United States, U.S. exports to Europe and Japan became very sluggish while U.S. imports soared—a typical occurrence in the expansion phase of the business cycle.

In addition to these major causes of America's trade deficit—namely, the strong dollar, the distress of developing countries, and the rapid rebound of the American economy—a host of other factors played some part. Two of them deserve special mention: first, the worldwide drop in oil demand which forced OPEC members to cut back their imports; second, recent developments in world agriculture—a subject to which I will need to return—which also contributed to the deterioration of America's foreign trade.

III

The accumulation of these unfavorable trade developments has become a matter of widespread concern in the United States. U.S. farm income was already depressed during the late 1970s, and with foreign sales declining, it has plummeted since 1980. Moreover, the shrinkage in exports of U.S. manufactured products resulted in a reduction of both jobs and profits in numerous firms—particularly those producing machinery, civil aircraft, and other capital goods. Meanwhile, the rise in imports fueled the displacement of workers in various consumer as well as capital goods industries.

Economists often look upon such vicissitudes of trade as normal workings of a competitive market, and they are apt to express

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

confidence that the difficulties will eventually be corrected through the marketplace. In principle, there is considerable justification for such views.

As the economy of the United States continues to expand, its rate of expansion is bound to moderate. Meanwhile, signs of economic recovery in Western Europe, which have been gradually emerging, are likely to multiply. With the gap in economic performance between Europe and the United States narrowing, America's trade deficit will tend to diminish. On balance, Latin American developments should also become less damaging to U.S. foreign trade. During the past year, the heavily indebted countries of Latin America have experienced significant improvement in their current account balances with the rest of the world. Hence, the recent sharp reduction in their imports from the United States can hardly be expected to become still larger. Moreover, since the purchasing power of the dollar over commodities appears to be appreciably overvalued relative to other currencies, it would not be at all surprising if the decline in the foreign exchange value of the dollar that has occurred since its January peak were moderately extended over the next year or two. In short, one can reasonably argue that the marketplace is already releasing forces that, before long, will diminish the American trade deficit.

Relaxed thinking along these lines, however, is rarely shared by American businessmen, farmers and workers who have been adversely affected through foreign trade. Nor is it shared by politicians—particularly in an election year. Of late, American advocates of restrictive trade policies have become bolder, and their complaints about trade practices of other countries have become more strident. In turn, their calls for new import barriers are being echoed by similar calls in Europe. Numerous European industries have after all also experienced an economic setback in recent years, and unemployment is now extensive throughout Western Europe. With the virus of protectionist sentiment spreading, the need for economic statesmanship, especially in the United States and Europe, has become urgent.

America's foreign trade problem is also Europe's problem, and it is important for both Europeans and Americans to try to see from an international viewpoint the trade and financial issues that have caused political tensions among them. In the process of doing that, they are all bound to find that what Americans regard as their special problem involves common international concerns that require better mutual understanding—and often also corrective measures—on both sides of the Atlantic.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

One of the especially troublesome problems in the relations between the United States and Western Europe involves agricultural trade. Americans have long complained about the protectionist thrust of the European Community's agricultural policy—a policy that relies heavily on price supports to maintain the income of its farmers. Each year the Community's member governments fix common prices for various agricultural products. These prices run above world prices. The domestic market of the Community is then protected by variable levies that tend to keep out lower-priced imports. In part as a result of this policy, the Community's share of America's total agricultural exports has tended to decline.

The decline would have been sharper if the Community's restrictions had also been applied to soybeans and soybean products—which loom large in American exports. This has been precluded by prior international agreements that permit soybeans and their derivatives to be shipped duty-free into the Community. That access has recently been threatened by the proposal of the European Commission to impose a consumer tax on vegetable oils. Quite obviously, such a tax would have much the same effect as an explicit import barrier.

The American government is also troubled by the Commission's proposal to restrict imports of corn gluten—a product used in animal feeds—which now also enters the Community duty-free on the basis of previous agreements. Since American farmers have not shared in the recent economic recovery, concern over restrictive measures against corn gluten and soybeans has become acute in the United States.

These new European proposals have thus intensified a perennial complaint of the United States—namely, that its market is far more open to agricultural imports than the Community's market. There can be no denying, however, that Europeans have some legitimate complaints about American agricultural policies. The United States, for example, has long maintained import quotas on dairy products—a protectionist measure that has hurt European farmers. Again, American wine producers have recently been seeking congressional limitation on wine imports.

The deplorable clamor for increasing protectionism in agriculture is not only interfering with the efficient use of labor and capital. It may also release new inflationary pressures—directly by raising food prices, indirectly by repercussions on labor markets. Nor is this all. Agricultural policies in Europe and the United States are becoming a heavy burden on governmental budgets. Programs for supporting farm prices and incomes cost the American govern-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment $28 billion in Fiscal Year 1983—an enormous increase over the preceding two years. The cost of supporting agriculture has also increased rapidly in the European Community, reaching over $13 billion in 1983. Indeed, the member governments of the Community are now engaged in an anxious search for ways of limiting the impact of agricultural expenditures on their budgets—a search that has caused severe political strains in Europe.

Foreign trade in agricultural products is thus an intra-European problem as well as a problem involving the United States and Western Europe—and for that matter, much of the rest of the world as well. A basic cause of this common problem is the tendency toward excessive production of various agricultural products. Here the Europeans have perhaps been more at fault than Americans, for the agricultural support programs of the United States have usually included some incentives to cut back production while European support programs have not. In fact, the Community's disposal of its surpluses through subsidized sales on world markets has been a source of considerable friction between the United States and the Community.

Looking ahead, the problem of oversupply may become more acute because of continuing advances in agricultural technology, especially in the grain and dairy sectors. This is clearly a problem that Community and American farmers have in common. Although the several governments recognize this, they have not yet tackled together the challenge posed by world overproduction.

Fortunately, both the American government and the Community have of late moderated their rhetoric on agricultural trade issues, restrained their actions, and tried quietly to resolve their outstanding differences. The German government, in particular, has expressed firm opposition to a European consumer tax on vegetable oils. It should be a source of some comfort to both Americans and Europeans that powerful voices of reason are being heard at a time when pressures on governments from agricultural interests have become so insistent.

Trade in steel products is another perennial irritant in relations between the United States and the European Community. Problems in this area have recently become more troublesome, largely as a result of declining demand for steel products during the recession, but partly also because of larger production and exports by some developing countries. In view of these changed market conditions, steel firms on both sides of the Atlantic have been forced to curtail production, close some plants entirely, and release many workers.

In the early 1980s, American steelmakers petitioned the U.S.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

government for protection against rising steel imports from the European Community. They argued that European firms were benefiting unfairly from export subsidies and that some of their products were being sold in the United States below their fair value. If their complaint had run the full course permitted by American law, the result would certainly have been a sharp reduction in European exports of carbon steel products. Fortunately, mutual good will prevailed over legal contests. After long and difficult negotiations, involving both steel producers and governments, an agreement was reached in October 1982 wherein the Community undertook to limit moderately its exports of certain steel products to the United States through the end of 1985.

This agreement has worked reasonably well thus far, but it has by no means quieted the steel trade issue. The specialty steel branch of the American industry, which was not covered by the 1982 agreement, has also suffered declines in profits and employment in recent years. Its urgent appeal for relief under American law led in July 1983 to President Reagan's approval of temporary quotas and extra tariffs for specialty steel imports. This action was severely criticized in Europe—in part, no doubt, because it came so soon after the Williamsburg Summit. At any rate, the European Community responded, as it had the right to do under the rules of the General Agreement on Tariffs and Trade, by limiting certain imports of equivalent value from the United States. Over the past year, the specialty steel problem threatened to provoke a serious rift in relations between the United States and Western Europe. The matter was again settled amicably thanks to the willingness of the concerned parties to make the necessary compromises. Unfortunately, both American producers and their organized workers have now joined in fresh appeals for restricting imports of steel generally. Difficulties over steel trade thus remain.

In view of the restlessness that continues to afflict international steel trade, there can be no escape from the conclusion that arrangements such as Americans and Europeans have recently succeeded in working out are merely temporary expedients. The critical fact is that both the United States and Europe face a common problem of overcapacity in their respective areas—a problem that is being accentuated by rising imports from the more advanced of the developing countries. It is only by addressing together these broader issues that they can have a reasonable chance of finding lasting solutions to the perennial problems in steel trade.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IV

I shall forgo comment on other specific trade issues, such as those concerning copper, footwear, machine tools, and wines, though they are being accorded public attention in this election year. In view of my past involvement in central banking, however, I do want to make a few observations about financial questions surrounding America's trade deficit that have stirred wide interest and controversy.

Let us take first the case of the dollar's appreciation. It has served to reduce inflationary pressures in the United States, but it has had the opposite effect in Europe—since a very large part of Europe's imports is denominated in dollars. On the other hand, the dollar's appreciation has severely hurt America's foreign trade, while it has benefited the trade of other countries—including those in Western Europe. Discerning Europeans recognize that the trade deficit of the United States has served, in effect, to drive the world economy forward. They have not, however, rejoiced over their trade advantage, since they realize that the dollar's strength will not last indefinitely and therefore fear that the industrial structure of their countries could become distorted in the process of responding to a temporary trade advantage.

Europeans naturally prefer a stable dollar to one that oscillates in buying power, and for that matter so do Americans and others. But no one has yet found an acceptable method of returning to the kind of stability in exchange rates that existed under the Bretton Woods system. In a world in which capital movements often overshadow trade movements and in which inflation rates of individual countries diverge widely, central bank intervention in foreign exchange markets—a remedy that is still popular in some political circles—cannot accomplish anything beyond smoothing out the very short-run fluctuations of exchange rates.

To be sure, many Europeans feel that the appreciation of the dollar has been largely due to the relatively high interest rates in the United States. Their argument typically runs as follows: first, high American interest rates are damaging European economies by attracting to the United States funds that otherwise would be directed to capital investment at home. Second, European interest rates are also higher than they would be without the outflow of capital to the United States. Third, the gigantic debt burden of developing countries is being compounded by the high American interest rates. Fourth, the United States could correct these diffi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

culties by bringing down its interest rates, and this could best be accomplished by reducing the enormous deficits in the American government's budget. Finally, the American economy as well as the entire international economy would benefit in the process.

This line of reasoning has not been confined to Europeans. Many Americans have shared it—which is not surprising since the above argument does embody a substantial element of truth.

I must nevertheless point out that the argument is incomplete. It overlooks the fact that the dollar is a haven of safety for Europeans and others in times of international political turmoil such as we have experienced in recent years. It overlooks the fact that there are causes of high interest rates beyond budget deficits. It overlooks the fact that the high American interest rates have not proved an obstacle to a robust recovery in the United States, including a revival of both residential construction and business investment in fixed capital.

More important still, the European argument overlooks the fact that profit opportunities in the United States have become distinctly more favorable than in Western Europe. Even with American interest rates remaining at current levels, if European governments moved more boldly to improve prospects for business profits in their countries, the chances are that the flow of capital to the United States would be materially checked—indeed, that American capital on balance might well start moving to Europe.

The American government can surely be helpful to the European economy as well as to its own by proceeding resolutely to reduce its projected budget deficits. That is fully recognized by now, both by the Reagan Administration and the Congress. I am entirely confident that a significant budgetary correction will be accomplished before long—perhaps even by this summer, but certainly by next spring. As awareness of this forthcoming development spreads through financial markets, current pressures on interest rates will tend to be eased and financial investments in the United States may thus become less attractive to foreigners. But Europe can also do its part, namely, by improving the environment for business risk-taking, innovation, and capital investment.

In short, European governments as well as the American government could take actions—as indeed some are already doing—to reduce the many difficulties that have been caused by high interest rates and the strong dollar. To some degree, with prospective profits in Europe beginning to improve, a wholesome process of economic revitalization may already be getting under way.

While the United States will have to emphasize one set of policies

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in dealing with the dollar's strength, and Europe quite another, their approaches can and should be similar in dealing with the indebtedness of the developing countries—again a problem that the United States and Western Europe have in common. Fortunately, this has been recognized on both sides of the Atlantic. Indeed, speedy action by the International Monetary Fund and the Bank for International Settlements, working in concert with the governments of the leading industrial countries as well as with their central and commercial bankers, has staved off what might otherwise have been an international financial collapse. These constructive rescue missions have not, however, solved the underlying debt problem of the developing countries, since the debtors are being burdened with interest charges that some of them—perhaps many—may find it impossible to meet.

All concerned parties have some further contribution to make. As governments of the industrial countries continue to work at fostering sustainable growth of their economies, the developing countries will gain opportunities to increase their exports. That, along with efforts to bring down interest rates and curb protectionist impulses, is fundamental. For their part, commercial banks—especially the large institutions that play a leadership role in international finance—need in their self-interest, as well as for the sake of stability in the international financial system, to do more than they have yet done to ease the payment problem of debtor countries.

Typically, when commercial bankers run into a debt problem with one of their business customers, they devise means of scaling down the size of the debt or the interest on it, and at times even accept the debtor company's stock in place of all or part of the outstanding debt. That business approach is suggestive of actions that could be taken in handling the indebtedness of some of the more necessitous developing countries.

One possibility would be for a dozen or so of the major international banks to proceed on their own to cut substantially the interest rates charged to those of the less developed countries that have run into insuperable difficulties in complying with the financial program worked out in their behalf by the International Monetary Fund. Such voluntary interest-rate reductions could not in practice be generalized to cover all banks, since many of the smaller banks would balk at following the initiative of the major banks. That, however, is not a fatal objection, since the relief granted by the major international banks would of itself reduce appreciably the financial burden facing necessitous debtors.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In any event, leadership by the major international banks in interest-rate reductions is not the only possible route to relief. For example, near-term interest payments due from seriously troubled countries could be transformed into debt obligations that extend sufficiently into the future to provide the debtors essential breathing space.

Moreover, the governments of the United States and Western Europe can play a more direct role in helping the less-developed countries to reestablish their credit worthiness and resume economic growth. Legislation calling for renewal of our system of trade preferences for developing countries, now before the Congress, is important in this regard. The European Community is likewise involved in renegotiating the Lomé Convention, which permits duty-free access of raw materials from developing countries. The existing European and American systems of general trade preference deserve extension and some further liberalization.

The developing countries must, nevertheless, be constantly reminded that it is decisively to their own benefit to expose their economies in greater degree to market forces. Continued reliance on preferential treatment is a dead-end policy, and one that will not be accepted indefinitely by the industrial nations. Developing countries must be encouraged to pursue financial policies that will attract foreign investors, besides enticing back some of the enormous amounts of capital that their own frightened citizens and businesses have moved abroad. However difficult such policies may be, there is no other way for the developing countries to achieve the full partnership that they seek in the investment and trading system of the modern world.

V

In conclusion, I want to stress several basic thoughts. First of all, it is well to keep in mind that prior to last year, the biggest current account deficit that any country had ever experienced in a single year was about $15 billion. The $70 to $80 billion shortfall that the United States is headed for this year is awesomely different from anything experienced in the past. Since the U.S. trade problem involves Europe deeply, it is essential that Europeans and Americans seek better understanding of their mutual economic concerns and work together toward their resolution.

Second, as previously suggested, the United States can best contribute to easing the trade and debt problems that now confront the world by moving decisively toward greater fiscal discipline. This move needs to be combined with a skillful monetary policy that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tempers the robustness of economic growth and thus guards against inflationary pressures. In Europe the foremost need is for confidence-building measures that foster job creation, so that Europe can contribute more significantly to the recovery of world trade.

Third, since the problem of international indebtedness is also without precedent—both in dimension and in disruptive potential—it is highly important to seek ways of enlarging upon the progress that has been achieved in the current phase of crisis management. We need, in particular, constructive initiatives that will enable the world to ride out difficulties even if economic developments in the years ahead should prove disappointing.

Fourth, the danger of protectionism has been growing despite some improvement in the condition of the international economy. In that regard, both Americans and Europeans must be concerned about the effects of protectionism on the developing world as well as about the weakening of their own economies through further protectionist actions. Even more important, it must be remembered that enmities created by trade restrictions at times spill over into the political arena, and may even affect the capacity of the partners in the North Atlantic Alliance to cooperate as effectively as they should in meeting challenges to their common security.

Fortunately, the several dangers and needs emphasized here are increasingly recognized on both sides of the Atlantic. Indeed, some have already been dealt with or are at present being considered constructively. I see, therefore, a basis for hope of a better economic future than has been the case in the past few years.

In the course of my life, I have seen many crises come and go. I have also seen crises that were widely anticipated fail to materialize. It is always unwise to underestimate the capacity of human ingenuity and good will to resolve economic problems, whether they be domestic or international. Let us not underrate that capacity now. Americans and Europeans must recognize that the ethical, political, and cultural values they share in common are overwhelmingly more important than the trade or financial issues that now and then excite them.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Edward Schumacher

ARGENTINA AND DEMOCRACY

For more than 50 years Argentina has been the bad boy of the Western Hemisphere. Since the military launched its first coup ever in 1930, only one freely elected government has completed its term, and that one was led by Latin America's most successful demagogue, Juan Domingo Perón. The country has since floundered between rule by the mob and rule by the military. Two years ago, it also gave the world the Falklands/Malvinas War, a seeming comic opera that turned bloodily tragic.

Last October, Argentina surprised the world again, but this time favorably. After ruling nearly eight years, the military called elections to make a new attempt at democracy. Raúl Alfonsín, a charismatic democrat dedicated to returning the country to the rule of law, handed the Peronists their first defeat in a free election. His inauguration December 10 set off a wave of optimism at home and abroad that the turmoil that began in 1930 was over.

"On the tenth of December we found an anguished Argentina, unmistakably marked with the signs of destruction," the new president said in a speech on May 1 opening the first regular session of Congress in a decade. "But from this anguish, hope, the perspective of bringing the republic back to life, would rise."

But today, six months into his term, the question is: Can Alfonsín and the new Argentine democracy last? Already, some of the old political divisions are re-emerging. The economy is in crisis as inflation, the highest in the world, resists control. Consumer prices in the first five months rose at an annual rate of 560 percent, raising the specter of Weimar Germany.

At the same time, the government is locked in tough negotiations with the International Monetary Fund (IMF) and international banks over refinancing an inherited foreign debt of some $45 billion, third in size only after that of Brazil and Mexico. To meet the debt payments, the country must impose austerity measures. Alfonsín is moving to do so, but faces a dilemma. After the military years, in which living standards dropped, the Argentine public expects and, indeed, demands better times. Too much austerity could lead to a social and political backlash threatening the survival of the new democracy itself.

Edward Schumacher has for the past four years been the chief of *The New York Times* bureau in Buenos Aires.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

There is among Argentines of all classes today a deep desire to make democracy work. The last bout of military rule was so bloody, and left the country in such economic shambles, that Argentines have been sobered to seek moderation and democracy more than at any time since 1930. Alfonsín personifies their hope—many Argentines say their last best hope. The combination of this national mood and the new government's commitment to pluralism gives reason to believe that this time Argentine democracy will endure.

But much will depend on the United States and the international financial community in the crucial debt negotiations. The internal conundrum faced by the new Argentine government requires new political calculations and economic formulas beyond the standard IMF models to refinance the debt. Thus far the actions of the banks, the IMF and the Reagan Administration remain dangerously piecemeal.

The importance that Argentine democracy survive goes far beyond just the aspirations of its people. In geographical terms, Argentina is the seventh largest country in the world, and the second largest in Latin America. Despite its economic ills, it enjoys a higher standard of living than any nation in the Western Hemisphere except the United States and Canada. Its potential as a contributor to world technology and as a Third World leader is reflected in an assessment by the U.S. Central Intelligence Agency that the Argentine nuclear program is so advanced it could produce a nuclear bomb in one to three years. Argentina's economic potential for the world community is already partly realized in what, alongside oil, is the world's most essential commodity: food. Argentina is the world's third largest exporter of grains and could easily produce much more.

Most important, perhaps, is an intangible. The failure of democracy in Argentina, after the great expectations raised by Alfonsín's election, would shake the hopes of Latin America's tenuous democracies and harden the wills of military rulers throughout the region. As Chilean opposition leader Jorge Lavandero observed: "Latin America is a compact bloc, and the damage would be grave."

II

Argentina's political misfortunes have long been an enigma. A southern mirror of the United States, the country is bounteous in resources and temperate in climate. It is sparsely populated and, more even than the United States, its 28 million people are the descendants of European immigrants. Literacy is high, poverty low and racial divisions hardly exist; Argentines are almost exclusively

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

white. As late as World War II, Argentina was almost equal in development to Australia, and not far behind Canada.

The nation's failure is a frustrating tale of the primacy of politics over economics, of a nation floundering without national cohesion or identity, without a common sense of history or a minimal basic agenda of how to solve its problems. The challenge facing Alfonsín and the new government is not just to undo the last eight years of military rule, but to change the habits and institutions that have built up over the last 50 years, and more.

Until World War II, Argentina was largely a Spanish-speaking extension of the British Empire. The British built the railroads and utilities, introduced modern breeding, and ran the trade, shaping the Argentine economy to fit their own needs. Throughout the nineteenth century and into the 1930s, negligent Argentine authorities and prospering oligarchs who supplied the beef, wool and grains to British companies helped foster the lopsided emphasis on agriculture over industry that has since hampered efforts to achieve balanced economic growth.

Adding to the problem, the British railroads converged like a fan on Buenos Aires, their most convenient port. By the turn of the century, Buenos Aires had become the center of Latin American culture and one of the world's great capitals. But the city, which today includes nearly 11 million people, holds more than one-third of the national population. Much of the rest of Argentina is empty and its riches barely tapped. Argentina has not only failed to realize its potential economic greatness but deprived itself of the frontier spirit that might have promoted a greater sense of common purpose and identity.

As it was, the British helped nurture a Buenos Aires elite that looked to Britain, and later to France, for its social identification. The wealthy and much of the intelligentsia since the last century have maintained their hearts, their bank accounts and often a second home in Paris, London or more recently New York. At home, the upper class and much of the middle class lead a formal European lifestyle of double-breasted suits and late afternoon tea.

One effect has been to isolate Argentina from the rest of Latin America. The litany of upper- and middle-class Argentines that "We're Europeans, not Latins" carries a distinctly condescending tone that has made Argentines resented throughout Latin America.

A more profound effect has been to create a political and social schizophrenia that continues to plague Argentina today. In contrast to the outward-looking Argentine elite, the working class and other parts of the middle class, identifying with a native "criollo" spirit,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have reacted in part by looking so inward as to be xenophobic. They are spurred by nationalist teaching in the public schools and an isolation at the far tip of South America that gives them little realistic understanding of how the rest of the world works—a problem all too apparent in the 1982 war.

Modern Argentina began to take shape socially with European immigration. When the first national census was taken in 1869, the population was a mere 1.8 million. It doubled by 1895 and doubled again by 1914. The immigrants came from France, Germany and to escape the Jewish pogroms of Eastern Europe. Many came from Spain, but the largest number by far came from Italy. These varied national origins are not, however, part of the two-Argentina dichotomy; in that sense the country was a true melting pot.

Modern politics began in 1890 with the founding of the Radical Civic Union, now headed by Alfonsín. Representing the growing immigrant middle class,[1] the early Radicals fought the oligarchy for universal male suffrage, and, after winning it, they went on to win the presidency in 1916 under Hipólito Yrigoyen, the country's first great charismatic leader of this century.

Yrigoyen set a standard of scrupulous honesty and fighting for civil liberties and social justice that characterizes the Radicals to this day. Yet in 14 years in office the Radicals were able to push through virtually no major social legislation, largely due to their own inflexibility and internal disagreements. The ensuing political stalemate set the stage for the first military coup in 1930.

For the next 13 years, the military ruled in an alliance with the Conservatives and anti-Yrigoyen Radicals. Differences between the oligarchy and the middle class began to fade as both groups confronted an important new opponent: the rapidly growing working class. Out of this new conflict emerged the country's second great charismatic leader of the century, Juan Perón.

Perón was a member of a nationalistic, anti-British clique of colonels who seized power in 1943, at the height of World War II. Workers had been crowding the nation's cities, working in newly created wartime factories, but they were ill treated and ill paid. Politically ambitious and recognizing their potential, Perón offered himself as their defender, and in short order had built such a

[1] The use of the word Radical has hardly anything to do with the English connotation. The party was originally named the Civic Union of Youth, which became quickly shortened to Civic Union. But it suffered a split in 1981 after many of their number decided to join the oligarchy in an alliance over how to deal with a monetary crisis at the time. The remainder added the word Radical to their name to underline their commitment to voting rights.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

following that by the time elections were held in 1946, he won with 56 percent of the vote.

Perón ruled for nine years. He did some good, more than anything giving workers self-respect. His charismatic wife, the fabled Evita, a second-rank radio and movie actress, called them *mis descamisados*, "my shirtless ones." More practically, the government built public hospitals, greatly raised wages, established numerous new industries and curried nationalism by expropriating the British railroads and utilities.

But Perón turned democracy into a sham, bitterly dividing the country to this day. He turned the unions into corporatist monoliths. Bullying Congress and interpreting executive powers more widely than ever before, he imposed censorship, jailed and exiled many political opponents, impeached members of the Supreme Court, intervened in the universities, built up a secret police apparatus and amended the Constitution. The amendments made the Peronist party, formally called the Justicialist Party, an official government party and allowed him to succeed himself in a corrupt election in 1952. Eventually, however, Perón's industrial policies failed and discontent grew, even in the unions. Perón lost control over the military, and in 1955 was ousted by a coup.

The Peronists were barred from the two elections held in the ensuing period, but it was an omission that robbed the victors of their legitimacy and helped lead to their overthrow. The two were the governments of Arturo Frondizi (1958–1962) and Arturo Illia (1963–1966), who represented the opposing factions of the Radical Party from the Yrigoyen days.

Ultimately Perón came back in triumph. After 18 years in exile, at the age of 77 and increasingly feeble, he returned and pushed aside a Peronist stalking horse, Hector Campora, who had been elected president in 1973 following another failed stretch of military rule. Perón brought with him his third wife, María Estela Martínez de Perón, better known as Isabel, a chorus line dancer when he had met her in exile. She ran as his vice president, and they won with more than 60 percent of the vote, proving the enduring power of the Perón myth.

In the unions, one effect of Peronism has been to largely eliminate the communists and socialists. But the corporatism represented by the General Confederation of Labor (CGT) has also fostered ultranationalism, a vast state bureaucracy, and the hardening of lines between other increasingly corporate sectors, such as industry, agriculture, the military and the Catholic Church.

Most important, the myth itself undermined the nation's political

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS
P. O. Box 2615 (FA)
Boulder, Colorado 80322
ISSN 00157120

Volume 62 No. 5

M O V I N G ?

Clip this form and the address label.
Mail to: Foreign Affairs
P.O. Box 2615
Boulder, CO 80322

Name

Address

City State/Country Zip/Post Code

Second Class Postage Paid
at New York, N.Y., and at
additional mailing offices

**********3-DIGIT 778
693912 LBI N0000092 H44J AMR84
BLINN COLLEGE
LIB 02*MV
902 COLLEGE AV
BRENHAM TX 77833

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fabric. The last military president, General Alejandro A. Lanusse, called the 1973 elections and let the Peronists run, in part under the pressure of growing Peronist violence. But the violence continued, turning into gun battles between right- and left-wing Peronists. Peronism was always an ill-defined populism, and the absurdity of the violence reflected its own lack of identity. Perón had long papered over internal party divisions with the power of his personality and vagaries that Peronists still quote as Chinese once quoted Mao. Back in office, however, Perón expelled violent far-left factions, such as the Montoneros, from the party. His charisma and a newfound sense of moderation raised popular hopes that the aging caudillo might be able to unite Argentina once and for all. Even the Radicals formed a national unity front with Perón called the "Hour of the People." It is one of the great unknowns what would have happened had Perón been able to consolidate his new power. But on July 1, 1974, just nine months after taking office again, he died.

Perón was succeeded by Isabel. Terrorism grew worse as hundreds of people were killed in bombings, assassinations and shoot-outs. As part of the panic, the economy also turned sour. By March 1976, inflation had hit an annual rate of almost 1,000 percent and it was clear the government was out of control. When the military finally moved, there was a national sigh of relief.

III

Mrs. Perón's government was the sixth civilian government overthrown by the armed forces since 1930, and it would be easy to attribute the Argentine malady to the military. But such an interpretation is misleading. The military never moved without the tugging of a broad spectrum of Argentines of all classes and parties. A sad fact about the strength of Argentine democracy is that the multitudes turned into the streets to cheer the rise and fall of every government, military or civilian.

The first allegiance of the Argentine military is to itself. And it sees its mission not as upholding the Constitution, but the nation. It is noteworthy that the only oath a military man makes in his career is made each year to the Argentine flag of sky blue and white. In response to the question as to whether he will defend it, he responds, simply, "I swear."

The military took over in 1976 with a mandate to end the terrorism and right the economy. It set out this time, however, to fundamentally remake the nation in what it called the Process for National Reorganization. On the social and political levels it sought

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to root out the demagoguery of Peronism and to restructure the party system. On an economic level, it sought to end chronic inflation and rationalize the economy along free-market lines. Army Lieutenant General Jorge Rafael Videla was made the regime's first president.

Terrorism was the first priority. Seeing the recent defeat of the United States in Vietnam as a failure of will, the military, with a genuine, if skewed, view of the world, saw itself as on the front line of World War III against international leftist subversion. Unconventional means were needed to fight an unconventional enemy; they would use terror to fight terror.

Relying on an extensive state intelligence network, underground squads kidnapped thousands of Argentines, including many who were only peripherally related to the terrorists because, for example, their name had happened to appear in a suspect's phone book. More than 240 secret interrogation centers and jails opened around the country, often in converted police buildings or military barracks. Gruesome torture with electric prods, beatings, rape and near drownings were common practice inside the jails. Many suspects were interrogated and released; an estimated 6,000 to 10,000 were killed.[2]

By the time Argentina hosted the World Cup in soccer in June 1978, terrorism was all but eliminated. The military declared victory, and the country's soccer team also won the Cup. Some Argentines were troubled by the anti-terrorist methods, but a great many more, of all classes and backgrounds, appeared to be willing to overlook that and accept that terrorism was conquered. By 1980, the last terrorist gasps had died out and the disappearances stopped. Despite the concern abroad, concern for human rights inside Argentina remained a minor sideshow, confined to small groups and several hundred relatives of the disappeared who marched each Thursday in front of the Casa Rosada, the presidential palace.

[2] How many people actually disappeared is a matter of great dispute today. Some human rights groups and their supporters in the United States commonly claim that up to 30,000 persons disappeared. A former Interior Minister, Major General Alfredo Saint Jean, estimated that the number of disappeared was closer to 3,000. He argued that many of those listed as disappeared are in exile or are missing for reasons that had nothing to do with the military. The Interior Ministry, nonetheless, has reported that 6,000 cases of habeas corpus were submitted while the military was in power. The Permanent Assembly for Human Rights, a human rights umbrella group, also lists the names of 6,000 people who apparently disappeared while in the hands of state security forces. The list is based on specific denunciations that it has received and verified to varying degrees. The Permanent Assembly list has long been used by the State Department and the Organization of American States as the most authoritative. The National Commission for the Disappearance of Persons now has run a campaign calling for Argentines to report missing friends and relatives. By mid-May it had documented 4,000 disappeared, about 1,200 of whom were never included on any previous list. Sabato has estimated that the number of disappeared may reach 10,000. Alfonsin, following Sabato's lead, has used that number in interviews with journalists.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

On the economic side, Economy Minister José Martínez de Hoz's free-market policies and an overvalued peso created a boom between 1978 to 1980 that Argentines called "sweet money," with even workers flocking abroad on vacations and buying imported television sets. It was a fantasy world that could not last. Imports became so cheap that local industry was collapsing under the competition. Exports became so expensive that agriculture was priced out of the world market. The banking freedoms were so abused by speculation and under-regulation that many banks folded and the government had to pour out valuable reserves to guarantee savings. Martínez de Hoz had gambled that he could wring out inflation, but his monetary measures were not matched by fiscal restraint. The military leadership was hesitant to cut state spending and a near-war with Chile in 1978 sent it on an arms-buying spree, feeding uncontrolled deficits. In 1981, the balloon burst, just as the Videla Administration and Martínez de Hoz were leaving office. Their replacements, Lieutenant General Roberto E. Viola and Lorenzo Sigaut, vacillated in making decisions and the crisis of confidence deepened. The economy plunged into recession almost overnight.

In nine months, both inflation and unemployment exploded upwards. The peso, under tremendous speculative pressure, fell in value by more than 400 percent. Argentines holding dollar debts suddenly found that it took five times more pesos to pay them back. They could not meet their payments. The government bought out much of the private debt through exchange guarantees. Panicked savers, meanwhile, started a long-term run on the banks. The country's reserves fell precipitously. Today's foreign debt crisis was born.

American, European and Japanese banks, glutted with petrodollars, contributed to the problem through their easy willingness to lend to Argentina. The military's free-market policies were especially attractive. In 1976, when the military took over, the total public and private debt was $6.4 billion. It grew modestly in the first two years, then began its steep climb. From $9.8 billion in 1978, it quadrupled in just four years to $38 billion in 1982. The Argentine economy was hemorrhaging, yet the banks continued to pour money into it, often lending through state companies to cover deficits, on the theory that a sovereign power never goes bankrupt.

In December 1981, the ineffectual Viola was removed by a palace coup and replaced by the commander-in-chief of the army, Lieutenant General Leopoldo F. Galtieri. The economic unraveling was

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

brought under control, but by this time spreading strikes and protests were demanding a return to democracy.

The new junta, seeking to recapture the political initiative, reacted by invading the Falkland Islands, subject of a longstanding territorial dispute between Argentina and Great Britain. For 11 weeks, as the war unfolded on the barren South Atlantic islands 300 miles off the southern tip of Patagonia, the country came together in a brief respite of national unity. Every Argentine child is raised stoutly believing the Malvinas, as they call the islands, are Argentine. But their misunderstanding of the world, combined with machismo pride, led to a failure to predict British resolve and American loyalties. Had the Argentines won, General Galtieri might still be president today. But they lost, and in humiliating fashion. Within a month of their surrender in June 1982, Galtieri was cashiered, a whole shake-up was under way inside the armed forces, and elections were called.

IV

Many Radicals are already proclaiming that Alfonsín represents the country's third historical movement, after Yrigoyen and Perón. Alfonsín broke the Peronist domination by attracting support from across the political spectrum, including many workers. The Peronists were divided—and for the first time were running without Perón. Isabel Perón, in self-exile in Madrid, maintained a mysterious silence throughout the election.

Alfonsín won by a margin of 52 percent of the popular vote to 40 percent for the Peronist candidate, former Senate president Italo A. Luder, a highly respected constitutional lawyer. Alfonsín won 57 percent of the votes in the electoral college and the Radicals won a clear majority in the Chamber of Deputies, the lower house of Congress, winning 129 of the 254 seats. The Peronists won 111. Among national parties, the socialist Intransigents won only three seats, the Christian Democrats one, and the Central Democratic Union, a conservative party headed by former Economics Minister Alvaro Alsogaray, won two.

Despite their gains, the Radicals do not control the Congress, having failed to win a majority in the country's upper house, the Senate. Senators are elected by provincial congresses, except in the federal district of Buenos Aires, and enduring Peronist caudillos in the provinces gave the Peronists a 21 to 18 lead in the Senate, though not a majority. The swing vote rests with seven senators from independent provincial parties.

The election was a clear rejection of the extremes, raising hopes

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that the political system may be coalescing and stabilizing around two major parties. Adding to the hopes is the fact that both Alfonsín and Luder were men of the middle with similar policy views. Argentines, worn by the years of turmoil, sought a solution in moderation, and the election was peaceful.

Alfonsín, who is 57 years old, won by stumping the country, stirring audiences with fiery calls for democracy. A new face with an unblemished record, he was a co-founder of the Permanent Assembly for Human Rights shortly after the military took power in 1976. In the course of his career, Alfonsín has been arrested three times for political activities: once by the Peronists and twice by military governments. He was also one of the few Argentines to object bravely to the Falklands invasion.

The son of a general store owner, Alfonsín was born and raised in the small pampa town of Chascomus. He was graduated from the law faculty at the National University of Buenos Aires, returned briefly to work in local government, won a seat as a Radical in the provincial assembly and then in Congress in 1963. It was clear to him the party was moribund, dominated by a group of old caudillos who had been unable to match Perón. Alfonsín unsuccessfully challenged the party leadership in the 1972 presidential primaries. For the next ten years, he assiduously organized what he called his Renovation and Change Movement, and in the 1983 primaries swept aside the old guard with surprising ease.

Alfonsín's optimism was infectious. He immediately ended all censorship, attracting back many of the two million Argentines who had moved abroad to escape political repression and economic crisis. The country's film, theater, television and publishing industries came to life again.

Alfonsín's first success was in subduing the military. In a dramatic break with a Latin tradition of forgiving military rulers in order to pacify them, he moved to deter future coups by ordering that the nine junta members who served between 1976 and 1982 be court-martialed for spreading "terror, pain and death throughout Argentine society." Among the nine are ex-Presidents Videla, Viola and Galtieri.[3]

[3] The junta was the supreme power and was made up of the three service chiefs. Its members changed under the military's strict promotion and retirement schedule. In addition to the three presidents, each of whom was also chief of the army, the others being prosecuted are Navy Admirals Emilio E. Massera, Armando Lambruschini and Jorge Isaac Anaya and Air Force Brigadiers Orlando R. Agosti, Omar Grafigna, and Basilio Lami Dozo. By mid-May, the Supreme Military Tribunal was still investigating the human rights charges. None of the junta members had been arrested on such charges, angering even Alfonsín. An exception of sorts was Massera, who had been in jail since June 1983 for withholding evidence in a separate civil case on the disappearance of a business associate.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Asserting civilian authority over the military, he retired more than half of the generals and admirals. In preliminary budget cuts, he slashed military outlays from highs of six percent of the gross national product under the military's rule to under four percent. He also moved to take away the military's 50-year control over Fabricaciones Militares, a military-industrial complex that produces everything from plowshares to bullets and has been a nexus for coup-prone industrial and union leaders.

The military, demoralized and widely despised, has resisted little. By moving the military out of politics, Alfonsín has acted to professionalize the corps, which appeals to many officers in the wake of the Falklands debacle. Indeed, on its own, though with government approval, the military is court-martialing a number of the Falklands commanders. The three wartime junta leaders, Galtieri, Admiral Jorge Isaac Anaya and Brigadier Basilio Lami Dozo were arrested in February for their roles in the invasion.

Combining political shrewdness and legal principle, Alfonsín pushed a law through Congress reducing the traditionally great power of military courts to a future role limited to overseeing internal military discipline. Past crimes by servicemen, however, are to be tried under the old law, which means that human rights abuses will be tried in military courts. As a guarantee of justice, the new law imposed automatic review of all military court decisions by civilian appeals courts. The appeals court can take new evidence, overturn the military decision or change the sentence.

Finally, Alfonsín drew on the precedents set by the Nuremberg trials after World War II in setting out a formal definition of responsibility for military crimes. Servicemen and police who merely carried out orders in an environment where they could not question the decisions were not held culpable. The exception is in the case of crimes so gruesome that anyone would know better. Great room is left for judicial interpretation, but Alfonsín already acted in January by arresting and indicting the former police chief of Buenos Aires province, retired General Ramón Camps. He established a blue-ribbon commission of 16 leading people headed by novelist and social critic, Ernesto Sabato, to investigate persons who have disappeared. The report of this National Commission for the Disappearances of Persons is due in June, but it is being delayed as the commission collects testimony that will likely lead to other prosecutions.

According to military officers, the armed forces accept the prosecutions as fair play. They still defend the anti-subversion campaign, but acknowledge excesses. In their Prussian tradition of holding

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

commanders responsible for defeats, they hold the past juntas responsible for the excesses and political failure. Courts-martial give the military a chance to cleanse itself. In pure self-interest, many officers and servicemen also feel relieved they will apparently not be held responsible. Only an estimated 1,500 servicemen out of a total force of almost 150,000 were directly involved in the human rights abuses, and most of them are retired.

The greatest challenge to the prosecutions, in fact, comes from an ironic source: human rights groups. The Permanent Assembly for Human Rights, as well as other leading groups such as the Mothers of the Plaza de Mayo and the Center for Legal and Social Studies, distrust military courts and are not reassured by automatic civilian review, because it is untried. They also demand a congressional investigation in place of the Sabato Commission, arguing that Congress has more power and generates more publicity.[4] Having lost the vote on the law, they have switched their fight to the court system. Some 50 cases have been filed against military men in relation to disappearances.

In the most celebrated case, former President Reynaldo B. Bignone, who oversaw the transition and was spared prosecution by Alfonsín, has been indicted and arrested in a privately brought case for covering up the disappearances of two communist draftees under his command while he headed a military college in 1976. Bignone has been in jail since February, and his case, which has become a tangled legal battle, remains an extremely delicate issue, as both the government and the military hold him in great respect.

V

If Alfonsín has largely subdued the military, he has been less successful in dealing with that internal corporatist power, the General Confederation of Labor. And as he said to me: "Without democracy in the unions there cannot be democracy in the country."

Union leaders virtually took over the Peronist party structure during the 1983 primary elections. Peronism's formal structure includes three branches: women, labor and politicians. The death of Perón and self-exile of Mrs. Perón left a power vacuum that union bosses filled. The female branch had been created by Evita

[4] Ten of the Commission members were private citizens, including, interestingly, an American citizen, Rabbi Marshall Meyer. Meyer had lived in Argentina and was active in human rights. The remaining six members were divided between the two houses of Congress. Possibly confirming the government's view that a congressional investigation would politicize the commission, as well as keep the Congress from working for the future, the Senate never sent the three members allotted to it because of Peronist opposition.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(women's suffrage was introduced under her in 1947), but became powerless with her death. In the 1983 election the politicians could not rival the union leaders' ready-made grass roots organizations, and unionists won many congressional and provincial seats. Herminio Iglesias, a rough-hewn union-related politician, controls powerful Buenos Aires province even though he lost the gubernatorial race. Lorenzo Miguel, the head of the 62 Organizations, the CGT's political arm, and head of the powerful metalworkers union, won internal elections to become party first vice president, meaning he runs the party in the absence of Isabel Perón, who is the party's elected president.

The centerpiece of the Alfonsín union strategy was a bill requiring court-controlled elections of union officers and representation of the losing factions on union boards. Because the military had intervened in the unions, union elections have not been held in a decade. Polls have shown that the rank and file do not support many of the old bosses, and Alfonsín is gambling that he can lead an internal union evolution.

After weeks of angry debate, however, the bill was defeated in March in the Senate, as three independent votes sided with the Peronists. The defeat illustrated the continuing strength of the old union bosses. The CGT, which had split under the military, had largely reunited in January under four secretaries-general, led by Saul Ubaldini, a beer brewer, and Jorge Triaca, a plastic worker. Many Peronist political leaders privately say they, too, want to trim the power of the old bosses, but the campaign led by young Radical legislators, imbued with the idea of the "third wave," was so abrasive that it was seen by the independents and the Peronists as a revived effort by the middle class to gut the power of unions altogether.

Recognizing the error, Alfonsín has switched strategies. On the one hand, he has courted independent union leaders. On the other, he has sought compromise with the CGT. In April, he forced the resignation of Labor Minister Antonio Mucci, who had angered unionists by intervening in two unions. Alfonsín also began calling for national unity in speeches around the country. "Without reconciliation and dialogue," he warned Congress, "the tendencies to fragmentation could appear and grow."

The president has turned for support to what might appear an incongruous source: the Peronist party. Cutting across the many factions in the party is a split between those who favor total loyalty to Isabel Perón as a Perón and those who favor ending the myths and becoming a modern, internally democratic party. Luder, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

party's presidential candidate, was of the latter school, but his defeat hurt the cause. But with Mrs. Perón also absent, the party has been rudderless and, as a party, barely exists. Internal factions fight each other in the Congress and for control of various provinces. In opposition, the Peronists can obstruct but appear unable to work together constructively as a negotiating bloc.

Alfonsín has thus ironically turned to Mrs. Perón, who returned from Madrid in May to join him in the national unity talks. Her only other brief visit to Argentina since being released from house arrest by the military three years ago was to briefly attend Alfonsín's inauguration. In transatlantic telephone conversations, he encouraged her to return again, and pushed legislation through the Congress nullifying her past conviction for allegedly depositing more than $500,000 in charity funds in her private account. He is going to such great lengths in hopes that Mrs. Perón will be able to calm the unions and impose some order on the Peronists. "What bothers me is that I need an interlocutor," he told me in May, "and she is the party president."

It is unclear just what effect Mrs. Perón's return might have on Alfonsín's strategy. Their first meetings were amicable, and she has encouraged her followers to be sympathetic to the new president. But it does not appear that she plans to live in Argentina; her loyalists say she will go back and forth between Buenos Aires and Madrid. More significantly, while Mrs. Perón has tremendous symbolic power as the widow of Perón, much of that power may prove ephemeral as she intrudes again into the world of practical politics.

Already, the party was straining as she snubbed Miguel and the elected national party council. Surrounding herself with a "liaison committee" of loyalists, she took them as well as the national council along with her for the first meeting with Alfonsín. She had a loyalist, former national deputy Juan Labake, present the party's position in the meeting. In private caucuses of the national council, some members were already angrily advocating a showdown over Mrs. Perón's power.

Any such showdown could well lead to the dissolution of the Peronists as a party. It would force the party to define itself more concretely, reviving bitter ideological divisions and possibly even old violence. Mrs. Perón is a rightist, but she resents many of the old, right-wing union bosses, as well as the party's leftist intellectuals, for having abandoned her in 1976. A possible outcome would be Peronist offshoots to the right and left of Alfonsín, changing the face of Argentine politics. But while Alfonsín would be politically

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

strengthened, his long-sought national unity, which is more important to him at the moment, might be lost.

VI

In foreign affairs, the government has seen quick success. Alfonsín and Foreign Minister Dante Caputo have oriented the country's policies toward Latin America. Caputo's first major initiative was to sign an agreement with Chile pledging both nations to conclude a treaty ending their territorial dispute over the Beagle Channel.

Alfonsín also took the initiative with regard to the Falklands. He has repeatedly called for negotiations, and he and British Prime Minister Margaret Thatcher have been exchanging secret notes. Argentina wants Britain to stop its militarization of the islands, lift its 150-mile exclusion zone around them and return to prewar sovereignty negotiations. The Thatcher government has responded that sovereignty is out of the question and prefers a phased return to normal relations. The British are understandably wary about whether democracy and Argentine good intentions will last. But it is a short-sighted position. Continued British stubbornness and militarization stirs destabilizing nationalist sentiments inside Argentina.

The new government enjoys particularly warm relations with the rest of Europe. The Radicals have historically identified with Europe's Social Democrats and its moderate Socialists. Prime Ministers Bettino Craxi of Italy, Felipe Gonzalez of Spain and Mario Soares of Portugal attended Alfonsín's inauguration, and Alfonsín plans to visit Spain in June.

Alfonsín has ruled out a militant Third World foreign policy, while staying officially nonaligned. "Our history and our geography make us Occidentals," he told Congress, "but let nobody mistake this as belonging to a determined bloc."

One of the government's most surprising initiatives, nonetheless, has been to warm relations with the United States. U.S.-Argentine relations have seldom been particularly good, and following American support for Britain in the Falklands War, they were bad. Vice President George Bush attended Alfonsín's inaugural, and his goodwill was evident in his enthusiastic praise of the new democracy. Caputo, a former student at the Fletcher School of Law and Diplomacy, enjoyed amicable meetings in Washington and New York in April. A team of State Department officials spent two days in Buenos Aires in March reviewing the world and Argentine diplomats discovered they had few disagreements with their Amer-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ican counterparts. "Our relations are serious, frank and direct—what we like," Caputo told me.

One serious outstanding issue between the two nations is that Argentina has never ratified a nuclear nonproliferation treaty. The country announced last year that it had completed the nuclear fuel cycle by achieving the technology to enrich uranium. Alfonsín has pledged not to build a bomb, but the country has always left open the option to build a peaceful nuclear device. The government has firmly stated that ratification of the Nuclear Nonproliferation Treaty is out of the question because it bans even such devices. But senior officials privately say Alfonsín wants to ratify the hemispheric Tlatelolco treaty, which is less restrictive. Expecting heavy nationalist opposition, the government is waiting for an opportune moment to present the treaty to Congress, they say. In a joint communiqué with visiting Mexican President Miguel Hurtado de la Madrid in April, the government reflected its thinking by pledging not to use its "nuclear technology for warlike ends, in the spirit" of Tlatelolco. Among the initiatives the government plans to take in the coming months to underline its peaceful intentions is the introduction of a law in Congress banning the building of a nuclear bomb. It also may inform fellow Latins of voluntary safeguards.

In Central America, the government verbally supports the efforts by the Contadora group of Latin nations seeking to negotiate an end to the conflicts in El Salvador and Nicaragua. The Alfonsín government has reextended a $45-million credit line for industrial goods to Nicaragua and offered another $2.5 million in food and medical aid. The credit line is an old one, maintained even by the previous military government as part of numerous such credits designed to promote Argentine exports in the Caribbean basin. The government also extended a $600-million credit line to Cuba. Despite such credits, Caputo has said the time has come to "rethink" hemispheric security, both to aid development aspirations and stop "Eastern penetration."

Alfonsín has pledged to make Argentina a world spokesman for human rights and democracy, and in the Southern Cone the government has already welcomed exiled leaders, such as the Uruguayan, Wilson Ferreyra Aldunate, who came to Buenos Aires from Europe in April to stage his campaign for Uruguay's scheduled November election. Alfonsín, following a Latin tradition of nonintervention, has maintained correct relations with the military regimes in Chile, Paraguay, Uruguay and Brazil, and as one official said, "Argentina seeks not to export democracy, but to radiate it."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VII

The key issue in Alfonsín's drive for national unity—and in the long-term prospects for Argentine democracy—is the economy. The historic Radical faith in democracy is so strong that the party came into power believing democracy alone would go a long way to righting the economy. This attitude, in itself, hindered them from coming quickly to terms with the disastrous situation they inherited.

The debt had risen to $45 billion, while foreign exchange reserves had dropped to a mere $100 million. Inflation in 1983 soared to 434 percent. The fiscal deficit in the last quarter grew to a full 18 percent of the gross national product as the lame-duck Bignone government lost all authority. Record crops helped produce a modest GNP growth of 2.8 percent, but it was little comfort in an economy that had otherwise stagnated. While Latin America was booming in the 1960s and 1970s, Argentina grew at only slightly more than one percent a year. Between 1970 and 1982, official statistics suggest that per capita GNP actually dropped, though the country's thriving underground economy makes such statistics suspect. Confidence in government and its economic policies, nonetheless, was at rock bottom, and fed on itself. Argentina has had 46 economic ministers in the last 40 years. Cumulative inflation since 1976 has been a mind-boggling 259,400 percent. Argentines learned to live with it through indexing, speculating and cheating. The black market in dollars is so prevalent that the rate is quoted daily in the newspaper. The peso has become meaningless; in three years it dropped to nearly a three-hundredth of its value.

Alfonsín and his economic minister, Bernardo Grinspun, set three simultaneous but incompatible goals: to lower inflation, raise real wages and revive growth. The government decreed salary increases of one percent per month over inflation; inflation bolted upwards to 522 percent in the 12 months ending in April. The central bank set interest rates at a level below the inflation rate in order to boost industry; savers withdrew deposits, aggravating a lack of money so chronic in the banks that most companies borrow on a commercial paper market, where the annual rate in May was almost 500 percent for a 30-day loan. Government-imposed price controls have led to shortages of items such as razor blades. An emergency feeding plan for the poor was set up, but it added to the deficit.

Raul Prebisch, the 83-year-old dean of Third World economists and an adviser to Alfonsín, said bluntly in April that the policies

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

had failed. The government has since moved to correct them, but all economic planning now takes place on two tracks, the second being with the IMF.

The government committed itself in March to concluding a letter of intent with the IMF for a readjustment program to refinance more than $20 billion of past-due debt dating back to 1982. The commitment was part of an international package rescuing Argentina from possible default on past-due interest payments totaling some $500 million. Hardly any foreign-debt payments had been made since October, when a nationalistic federal judge in Patagonia ordered negotiations on the 1983 public debt halted because of his objections to a clause in a model contract giving New York courts jurisdiction in disputes. The judge was eventually overruled, but the outgoing Bignone government did not resume payments. The banks, in retaliation, held back disbursment of the remaining $1 billion of a $1.5-billion loan they had approved in August. The IMF also held off disbursing almost $900 million in standby credits it had earlier approved for Argentina.

Upon taking office, the new government continued the virtual moratorium, declaring that the government needed until June to study just what it had inherited and to rebuild its reserves. The simple fact was—and is—that Argentina owes nearly $6 billion in interest by the end of the year, but projects a trade surplus of only $3.5 billion. The situation reached crisis proportions just prior to the end of the American banking quarter on March 31, when some $500 million in unpaid interest would have been a full 90 days past due. At that point, under American banking regulations, the $9 billion in loans involved would have been declared non-performing, threatening bank profits and Argentina's status as a borrower.

The rescue package was concluded hours before the deadline after angry negotiations between Grinspun and a steering committee of government and banking representatives were on the verge of breaking down. At Mexico's initiative, four fellow Latin American debtors—Mexico, Brazil, Colombia and Venezuela—stepped in in an unprecedented arrangement to avoid repercussions for all Latin American nations. The four put up $300 million, which the Reagan Administration promised to reimburse once Argentina signed an agreement with the IMF. Argentina paid $100 million and committed itself to reaching the IMF agreement. The banks lent Argentina $100 million more, bringing the total package to the necessary $500 million.

That same week in March, Prebisch and the managing director of the IMF, Jacques de Larosière, reached a working agreement

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

over the general outlines of an austerity program. It included drastic budget cuts, positive interest rates, slowing down salary increases, and speeding up devaluations. But it met the fundamental Alfonsín objective by calling for overall economic growth.

Since then, however, the negotiations have been bogged down over the details. The salary program had raised real wages three percent in the first three months, but by mid-May Alfonsín remained committed to raising real wages at least another three percent by the end of the year. Though real wages for salaried workers had gone up roughly 20 percent in 1983, they were still 30 percent below their level in 1975. Alfonsín told workers "wages would never again be used as a variable" to correct the economy.

A centerpiece of the austerity program will be the 1984 budget, which by late May was six weeks overdue as the government searched for further cuts. The deepest preliminary cuts were in military spending, though atomic energy outlays were slashed by one-third. The government sought to keep the education and social cuts minimal by raising some taxes such as on gasoline and tightening up on the collection of others, such as income and sales. Tax evasion on the latter two was long thought to be around 50 percent, according to the central bank, reflecting the country's lack of economic organization.

It is likely that Argentina and the IMF will sign an agreement. The Argentines understand that it is the only way to get refinancing of their public debt from the Club of Paris, as well as refinancing and new loans from private commercial banks. Nonetheless, the political sensitivities are such that Alfonsín has delayed signing until he can achieve some consensus in the unity talks.

The government's fear is that an agreement that is too austere could easily set off a revolt not just among union leaders, but in the society as a whole. Unions already have called a number of nagging one-day strikes, frequently shutting down rail lines. Most of Alfonsín's close circle of advisers, such as Grinspun and German Lopez, the President's chief of staff, served in the Illia government and their memory is still fresh of the strikes that brought it down in 1966. Already the unions are reverting to pre-coup dissembling. After a decreed wage increase was lower than inflation in April, the CGT said in a statement that the government was creating "a climate not at all truly apt to guarantee democracy."

Union leaders privately admit that their political conflict with Alfonsín is largely behind their campaign. But in an environment in which prices go up 20 percent in just one month, the economic issue is genuinely volatile. If Alfonsín trips off that volatility, he will

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not only lose his legitimacy to try to restructure the unions for long-term democracy in Argentina, but his very short-term survival will be at stake.

Most of Argentina's nearly 320 commercial bank creditors already accept that the June deadline for refinancing the 1983 and 1984 debt is unlikely to be met. What immediately worries them, however, is that another 90-day interest deadline falls June 30. Alfonsín wants an agreement, but he and his advisers, in keeping with his Radical tradition of putting democratic principles over economic ones, are genuinely willing to brook the risk of not having one, his advisers say. He declined to say that himself in his talks with me, saying, "Let me be an optimist and not compute the alternatives." But he pointed to the nearly 30 people who died in recent food riots in the Dominican Republic after that country imposed harsh IMF austerity measures to repay its debt. "We are not going to accept those policies," he said. "We are not going to accept them in any way."

Even if Argentina clears the hurdles of the IMF and the interest deadline, the heart of the matter is still the $20-billion refinancing and the needed new loans. The debt due includes about $11 billion from last year, and $9 billion this year. The model for the 1983 debt called for an equivalent interest rate of roughly two percent over the prime rate and a three-year grace period. The Alfonsín government is demanding much lower interest and a grace of four to five years, giving the government time to pay back private sector debt that it had guaranteed and renegotiated last year. The banks are hesitant, particularly on the 1983 debt, for fear other debtors will demand reopening their 1983 agreements.

But even if the banks give a five-year grace and very generous interest rates by today's standards—say, one percent over prime—it will amount to little more than a band-aid. With the prime rate in mid-May at 12.5 percent, the interest alone due next year would be about $6 billion and total payments due would be roughly $10 billion. In 1986, the interest would be around $6.5 billion and total debt due $11.5 billion. Argentine projected trade surpluses fall far short of those sums, requiring still more loans and crisis negotiations in what appears to be a no-win game. The orders of magnitude have swamped the system and threaten its collapse.

A similar problem is faced by almost all major Third World debtors, and Alfonsín has been spearheading a movement by Latins to find their own proposed solution. At his initiative, the leaders of Mexico, Brazil and Colombia joined him in the simultaneous release of a statement saying they "cannot indefinitely" accept the "haz-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ards" to democracy and development posed by existing repayment terms. Economic and foreign ministers from the four and from other Latin American countries plan to meet in Bogotá in mid-June.

Alfonsín and the other Latin American leaders for the first time intend to explore means to combine their leverage to gain better terms. Until now they have been deterred by the disparity of their countries' debts. While their discussions are intended to be constructive, the potential is clearly there for the forming of a bloc, with all the nasty connotations which that carries of confrontation with the industrial countries. The four signatories alone represent $230 billion, or more than two-thirds of the total Latin debt. If the four withheld payments, the international financial system could, quite simply, collapse.

What is the solution? The Alfonsín government has no formal proposal, except to say that the banks, too, are responsible for letting the debt get out of hand and that the system has to change for all heavily indebted less-developed countries. Among the options being debated in the world today are guarantees or long-term bonds issued by industrial countries to underwrite the debt. Such options, however, require the approval of reluctant national legislatures. Other options include phased or capped interest rates, but these require reluctant banks to absorb short-term losses. All the schemes are designed to give the indebted countries a breathing space to grow before paying back.

The Argentines and other Latin nations meeting in Bogotá appear to be leaning toward a combination of risk guarantees by the industrial countries and better bank terms. Among the desired terms are lower, fixed interest rates; smaller bank fees and commissions; longer payback times of up to 20 years; and grace periods, including delays on some interest payments, that would vary depending on a country's ability to repay.

For Alfonsín, it is the survival of Argentine democracy that is at stake as the many negotiations unfold and as he seeks to refinance the Argentine debt. "I would say that democracy is an irreversible fact," he said with great confidence. But he added: "The country in a certain way is still on the edge of a precipice. If we accept recessive economic recipes, our democracy itself would be at stake."

VIII

Argentina's dilemma carries broad political, as well as economic, implications. Though the nations of Latin America jealously guard

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

their independence and national differences, they are politically interdependent to an extraordinary degree. In South America, the military governments that took over in the 1960s and 1970s in Brazil, Peru, Chile, Uruguay, Bolivia, Ecuador and Argentina were each influenced and reinforced by the others.

The movement toward democracy, with Argentina now in the forefront, has picked up momentum over the last five years, but remains tenuous. The Andean nations of Ecuador, Peru and Bolivia were the first to shed military rule, but continuing social-economic hardships threaten democracy in the latter two. Uruguay is scheduled to hold elections in November, but the military government has threatened a delay in an attempt to force the opposition to accept a strong military role in a future democracy. Brazil is carrying out a phased transition, but current plans call for indirect elections this year that would allow the military to retain the presidency.

The collapse of democracy in any of the democratic countries on the continent would reverberate in all. But perhaps none has a greater impact than Argentina, the most economically and militarily powerful country in the Southern Cone. Neighboring Uruguay is so heavily influenced by Argentina it is often said to be a virtual province. The front pages of Chilean newspapers are dominated by Argentine news as the nations share a testy, 2,000-mile border.

The failure of Alfonsín would be taken as a failure of moderation inside Argentina as well as outside. The major threat is chaos created by union agitation, fueled by a deteriorating economy and social hardships. While it is obviously hazardous to predict what might follow should the government lose authority, collapse at the center would lead to a rise of the extremes. Alfonsín constantly raises the prospect of the nation disintegrating into what he calls a "Lebanonization" of its many factions, each warring for its own interests and ideology in what could easily turn into East-West competition. This is a worst-case scenario; more likely would be a military coup, but unlike previous coups, this one would surely be bloodily contested. Hatred of the military runs deeper today than ever before.

A return to military rule in Argentina would raise serious dilemmas for its neighbors, the United States and the West. Argentine military governments, like most such governments in Latin America, have had a propensity for human rights abuses. Freed from the restraints of legislatures, military regimes also tend to be nationalistic and threatening to their neighbors—and not necessarily receptive to U.S. policy interests. Despite its anti-communism, the last Argentine military government refused to join in the American-led grain embargo of the Soviet Union following the invasion of Af-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ghanistan. After the Reagan Administration moved to curry the military's favor beginning in 1981, the United States won Argentine help in Central America, but the whole time Argentina was secretly developing the capacity to make a nuclear bomb. When Alfonsín took over, the military was designing a nuclear submarine.

Yet, the last group of Argentine commanders to rule was actually moderate in the military context. A consensus among political analysts is that a future military government would be much more nationalistic and populist. Many rising young officers are already bitter toward the United States for supporting the British in the Falklands War. They would certainly be egged on by civilian nationalists of the right and left, who oppose Alfonsín for his European ties, orthodox economics and willingness to compromise on international issues such as nuclear nonproliferation. A nationalistic government would also balk mightily at repaying the foreign debt.

Already, the CGT, many politicians, and nationalistic businessmen accuse the IMF of "imperialism" and making Argentina into a "dependency" of the industrial world. The obvious threat is not to repay, or take some other unilateral measure, such as limiting payments to a fixed percentage of exports, an idea now gaining currency in Argentina. Unilateral moves may seem foolhardy, for the international banks could declare default, seize Argentine assets overseas, and block much of the country's trade. But Argentina has the unique advantage of being both self-sufficient in food and energy. It could survive a short-term financial war, which might be long enough to trip off other indebted nations and force an international confrontation. Given the volatility of Argentine history, it is not a prospect to dismiss lightly.

Alfonsín himself is tacitly threatening such a prospect, but with the motive of protecting democracy. His government is not seeking to avoid its debt; indeed, it is part of the stubborn Radical ethic that debt be paid as a matter of "honor," a word Alfonsín and his colleagues do not use lightly.

It is often said privately by bankers and Reagan Administration officials that Argentina may be the least deserving of special treatment among major Third World debtors. Its people are not suffering the social misery of the poor in countries such as Brazil, Mexico or Peru. That is true; but the conclusion is short-sighted. It is precisely because Argentina is a political risk—bankers rank it as the greatest political risk of all the major debtors—that it is in the self-interest of the United States and the viability of the international financial community to avoid setting off a confrontation with

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Argentina. Revolutions, even financial revolutions, grow out of expectations. The measure is not how much better an Argentine worker eats than a Brazilian worker, but how much he expects to eat. American workers would hardly accept a 30 percent drop in real income in six years without some dramatic reaction. Just as Alfonsín, in the national unity talks, is looking for enough political breathing space to right the economy through an austerity program, he is also looking, in the debt negotiations, for breathing space on the economic side so that he can fulfill at least some of his people's social aspirations and win time to build a lasting democracy.

The clear U.S. interest is to help Alfonsín survive; and on the critical debt question Washington has influence. The Reagan Administration seems to understand this fact full well, as demonstrated by its role in the March interest package.

But Argentina—or the whole Third World foreign debt, for that matter—has failed to compete with Central America, the Middle East and other crisis issues as a matter of high priority. Indeed, the U.S. Commerce Department in April imposed countervailing duties on about half of the $100 million in Argentine steel exports to the United States for alleged dumping. The Argentine share of the American steel market is only one-fourth of one percent, of little importance to the United States, but of great importance to Argentina. At the same time, the Export-Import Bank has been holding back for the last year on granting new credits and loans that would finance U.S. exports to Argentina.

More immediately critical, the U.S. prime interest rate has risen one-and-a-half points since March. As much of the Argentine and foreign debt has floating interest rates tied directly or indirectly to the U.S. prime, the rise increased the interest Argentina must now pay by more than $600 million over the next year.

U.S.-Argentine relations have improved since the March rescue operation. Alfonsín made the move, unusual for a Latin leader, of praising the United States and the American Congress in a nationally televised speech. This is a positive base on which to build.

What can the United States do? Any solution of the Argentine debt situation must take place in the broader context of all the Latin American and Third World debt.[5] It is a global problem that requires a global solution. There is, nonetheless, much that can be done in the specific case of Argentina, even though U. S. resources and instruments are limited. What is called for now is not massive outlays of funds, which U.S. public opinion is ill prepared to accept.

[5] See Riordan Roett, "Democracy and Debt in South America: A Continent's Dilemma," in *Foreign Affairs*, America and the World 1983, pp. 695–720.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Instead, what is needed is a demonstration of moral support that identifies the United States with Argentine democracy, a statement of interest in shoring it up and giving Alfonsín the time he needs.

On a pragmatic level, the Administration should show confidence in the new government by fostering the Eximbank loans and guarantees, instead of waiting, as it is doing, for an IMF accord. Argentina is able to import without such credits, but they would facilitate imports of the capital goods needed to stimulate new economic growth. It would win the United States easy political points, while providing export business to American industry. As it is, U.S. exports to Argentina last year were about half what they were in 1980, when they reached a high of $2.36 billion.

On the other side of the trade ledger, the United States should encourage imports from Argentina. The United States has historically had a trade surplus with Argentina, and still does. Yet, a bill has been introduced in the U.S. Congress that would further tip the balance in the American favor by limiting Argentine apple juice imports into the U.S. It is a cruel irony that Argentina is expected to earn money from exports to pay its foreign debt, more than a third of which is with American private banks, and yet its exports are discouraged by threats of increasing protectionism.

These pragmatic measures are hardly earth-shattering, and in many respects only nibble at the larger and more immediate debt crisis. But they show confidence in the Alfonsín government, and concern that it survive. There is value in displays of support, even if only in the form of speeches and ceremonies. Vice President Bush was successful beyond anyone's imagination in creating American goodwill during Alfonsín's inauguration, simply by his television interviews expressing how overwhelmed he was by the optimism and belief he found in newly democratic Argentina.

The question of attitude leads to the next great area which does deal more directly with the immediate debt crisis: leadership. The Federal Reserve Bank, the IMF, and a growing number of officials in the United States, Europe and Japan are coming to a consensus that some long-term solution to the Third World debt problem is needed. The options are many and debatable, but the debate must be given form, and only the United States, the world's leading industrial power, can do that. Those who argue that the banking system can solve the problem through traditional methods may be right in a purely financial sense, but they miss the more explosive social and political issue. Reflecting growing Latin frustration over austerity to repay the debt, Alfonsín said after the recent riots over

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

austerity measures in the Dominican Republic: "Latin America cannot take any more."

It is urgent that the United States begin to move on the debt issue while goodwill still exists in Argentina and Latin America. The growing volatility of the issue may radicalize Argentine and Latin positions, limiting options. Anti-Americanism, always latent in Argentina and Latin America, would be certain to grow. American protestations that the Argentine and Latin debts are economic matters to be left to the banks and the IMF are dismissed as technicalities. The debt is a political issue, and the American government is stuck with responsibility for it, in Latin eyes, whether the government wants that responsibility or not. Washington would do well, then, to take charge and have some say in the outcome.

The moment, in fact, presents a historic opportunity for the United States. In Latin America and Western Europe, the U.S. image is becoming increasingly sullied by its intervention in Central America. Failure in Lebanon has done little to enhance America's credibility. Leadership to resolve the debt crisis would be a positive, constructive move that would display the United States at its best. Argentina provides a particularly good opportunity for action because of the leadership position Alfonsín himself is assuming inside Latin America. His interest in broader hemispheric cooperation, including consultation on security issues, has not been seen from an Argentine government since the days of the Alliance for Progress in the 1960s. With a little timely imagination, the United States could improve its own position across the hemisphere by helping democracy survive in Argentina.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

William H. Bolin

CENTRAL AMERICA: REAL ECONOMIC HELP IS WORKABLE NOW

The political problems of Central America and their implications for the United States naturally have been foremost in the minds of those few Americans who have thought about the area at all. U.S. involvement historically has been motivated mainly by political considerations, and political events dominate the media currently. The economic situation today, however, is the one that requires our most urgent attention. In Central America's current state, political solutions are more likely to flow from economic events than the other way around. The people of Central America want jobs and food more than they want either revolution or elections; they cannot understand why we don't help.

Ask Central Americans in any country or any walk of life today where they want American involvement, and nine out of ten will reply in economic terms. Most realize that there are definite limitations on the possible degree of American political or military involvement—and most are glad.

Not so with economic involvement. It is a matter of eternal puzzlement to our Central American neighbors that, after the vast sums we have spent in the most distant arenas of the world power struggle, we cannot muster the modest amounts that now would make such a telling difference in their small economies. That perception and the resulting frustrations and resentment can produce populations widely hostile to the United States—for the first time. Such a possibility, in my view, is the most worrisome Central American threat to U.S. long-term security, and to its moral position in the hemisphere.

In its report of January, the National Bipartisan Commission on Central America—generally known as the Kissinger Commission—

William H. Bolin retired this year as Vice Chairman of the Bank of America NT&SA, and is currently a Senior Fellow at the Latin American Center, University of California, Los Angeles. Throughout his career with the Bank since 1947, he was involved in lending operations to less-developed countries, especially in Latin America, where he lived for a total of ten years, including three-and-a-half years in Central America. He was Chairman of the International Division of the American Bankers Association in 1982–83, and has served as Director or Trustee of the Overseas Development Council, the Council of the Americas, Pan American Development Foundation and the Committee for the Caribbean (now Caribbean–Central American Action).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

recommended a five-year program of economic aid for Central America. At the time of writing, that recommendation is before the Congress and its disposition is uncertain. Many, both in the Congress and in the public at large, are concerned that an economic program cannot begin to take effect for some time, and that the resources required may be too vast to contemplate at the present moment, particularly given the overall budget situation.

The thesis of this article is that important steps *can* be taken, in the short and medium term, that could have a great effect in turning the situation upward and laying the foundation for a longer-term program. The recommendations in this article are not inconsistent with the overall economic recommendations of the Kissinger Commission. The resources they would require are relatively small and in many cases could be obtained by moderate reallocation of resources already available under existing legislation. In essence, the actions here proposed would be both doable and effective in a fairly short time frame.

These recommendations are presented here in terms of Central America as a whole. It must be recognized, of course, that political factors may, for the time being, limit their application to Nicaragua, and that the security situation in El Salvador may likewise tend to limit what can be done in the immediate future. Costa Rica is already in the midst of a dramatic economic adjustment program with great social strains.

Thus, while it is essential to consider the five countries of the area as a whole, in fact each country has its own very distinct nature and faces quite specific current problems. Solutions must be tailored accordingly.

II

This is not a hopelessly poor area; not a region which has never prospered; not a Biafra or Somalia or even a Grenada. Central America has experienced some of the most dramatic successes in economic development anywhere, with per capita growth rates in excess of the United States for decades at a time. For most of the postwar period, local savings and investment in Central America made great strides. The countries were not assisted by a great deal of foreign aid or investment, although they did make good use of foreign technology and management skills. Except for Costa Rica during one period, it was all done with quite manageable foreign debt.

Central America demonstrated an annual growth rate in gross domestic product of 5.2 percent in the 1950s; 7.7 percent in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1960s; and 7.8 percent in the early 1970s (an average annual rate of growth, per capita, of close to five percent). Regional trade expanded tenfold during 1950–1980, reaching $2.2 billion (total export plus imports) by 1980, or 25 percent of total trade, with the increase mainly represented by new local manufactures.

This was not undertaken, however, at the expense of exports outside the region, which increased 13-fold, from $250 million in 1950 to $3.2 billion in 1978. The proportion of total exports to GDP increased from 18.6 percent in 1950 to 33.6 percent in 1978. Institution-building was accelerated, income distribution began and a small middle class was created.

Absence of inflation plus exchange stability accounted for a large degree of "financial deepening." The economies gradually became "monetized"; the ratio of money with respect to GDP increased from 4.4 percent in 1961 to 16.3 percent by 1978, creating private savings for investment.

Then, within a few years, everything suddenly changed. The very success of Central America in building its foreign trade, and its new industries, combined with the openness of the local economies, made the area vulnerable to external events. The second oil shock of 1978–79, and the collapse of commodity demand, as the United States and other industrialized countries reversed their inflation, induced a deep local recession which would have been traumatic even if the area had no political problems whatsoever—which, of course, it did.

The world is now recovering from recession but Central America is not, although in some sectors deterioration has slowed. Local savings have stopped accumulating or have fled. Locals and foreigners have been disinvesting and dollar income has eroded during the long recession in Central America's foreign markets. Management is departing steadily.

The Central American financial system has suffered more than any other sector. Diminished private savings, endangered exchange rates and a "flight from domestic money" have reduced the real size of the domestic financial system immensely. New flows of funds from abroad—always welcomed before as marginally helpful—are now desperately needed.

Four major categories of financial requirements for Central America should be considered in order of urgency. The first two could be addressed significantly in 1984 to different degrees in each country. The others are longer term and are more dependent on parallel efforts in the political and security fields.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

III

The region's first requirement is working capital. Cash for monthly or seasonal differences between income and payments by agricultural, industrial and commercial companies is the most acute and severe need. All of the economic problems of Central America (and many of the solutions) net out in such a way as to deprive the private sector of access to normal credit facilities to handle those rudimentary tools for production.

The principal export crops—coffee, cotton, sugar and vegetable oils—all require very large seasonal cash outlays for harvesting, processing and transport to market. Historically, a substantial proportion of this credit was met by advances from overseas buyers (or their bankers) to the processors (coffee "beneficios," cotton gins, sugar refineries, oil crushers, etc.), who in turn financed the harvesting costs of farmers. Additional amounts were financed by local banks receiving dollar credit from their correspondents in the United States, Japan and Europe. Remaining financing needs were met in local currency from local public and private credit organizations out of domestic deposit funds; local funds, however, were never adequate for peak seasonal need, even in good times.

Credit from overseas buyers has now essentially disappeared. Companies have stopped making pre-export advances, and banks have become unwilling to finance the repayment of that type of historical company-to-company credit.

Another major portion of Central American working capital has consisted of supplier credit for imports of insecticides, fertilizers, vehicle spare parts and fuel, or for industrial raw materials and components. These company-to-company and foreign bank credits for imports have succumbed to the same contracting pattern as that seen in export financing. Finally, as inflationary pressures grew and the balance of payments problems became more acute, local currency credit availability for all businesses became more and more scarce as a result of frozen bank portfolios plus government monetary and fiscal tightening. Availability of credit was also sharply affected by declining bank deposits following the shortfall in export income and, later, by capital flight.

The resulting situation of nearly zero working capital is the number one reason for diminished production in Central America today. Its importance outranks political uncertainties and security problems in the shrinkage of employment for all of the five countries except possibly El Salvador. To be sure, political distortions and uncertainties continue to take a heavy toll on productive

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

enterprises. In all of Central America, however, dozens of farms and factories could produce more, and in the process reduce unemployment and human suffering, if only they had more operating cash.

A significant part of this immediate problem could be solved by U.S. trade credit guarantees, in amounts which are dwarfed by the cost of just a few weeks' aid to Israel or Pakistan. Such a program should require very small, if any, funds from the current U.S. budget.

Another segment of the need might be met by amending existing loan agreements of the U.S. Agency for International Development, or entering into new ones, to divert, temporarily, any AID long-term project funds already in pipelines into short-term advances to the central banks of the individual countries. Such advances would provide rediscount of pre-export loans to farmers and credits for raw material purchases of factories through the already established lending institutions. The spring is crop planning time in Central America. It is too late to provide credit for planting this year, but many farmers will not proceed to use their own money during the crop year if they are not assured of the much larger amounts always required for harvesting in the October through February dry season. Such short-term advances by AID would not appear to require additional approvals or legislation, and when repaid would be available for the original purposes. The practical magnitudes of funds in present pipelines are not public, but historically there have always been some. It should not be too difficult to monitor such self-liquidating advances to major producing sectors by established credit channels to assure proper usage.

A parallel effort should be made to reactivate at least a portion of the intra-regional trade, which has become stagnant for many reasons (including financial ones), by encouraging and supporting bilateral arrangements and facilitating transport. Financing for the "swing" net balances of the clearings through the Central American Monetary Fund facilities would also provide working capital for private producers. Currently, for instance, a manufacturer in one country may pay hard currency costs for some components, but suffer long delays in receiving payment for the sale to another Central American nation. Small private companies, thus, are having to finance their nations' central bank regional clearings.

IV

The next most urgent capital need of Central America is to repair, refurbish and replace equipment, and remobilize the work

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

force to operate it. Nearly everything that moves or turns in Central America is now broken. A prolonged shortage of foreign exchange for spare parts and normal replacement, sharply diminished management disciplines and, especially, the difficulty in holding on to skilled labor have all combined to create worn-out productive machinery and stalled services. For largely the same reasons, public utilities also have deteriorated in effectiveness. Skilled people to operate equipment are needed even more than repaired machines.

It would seem that part of this requirement could be met by immediate accelerated disbursement and temporarily changed purposes for approved project loans of the multilateral credit institutions, whose funding might be assisted by the United States through co-financing or otherwise. Loans could be made for repair, for replacement and for recruitment or training of personnel.

The third priority requirement for funds in Central America is the longer-term need to reorient industrial and agricultural production toward export. A major (though not exclusive) thrust of the Central American Common Market was to create import substitution industries. The lower internal tariff and a higher common external tariff, when combined with the creation of new transport linking the countries, produced a boom in small industries. New companies were created rapidly to replace imports of such consumer products as canned foods, textiles, tires and paper products. Many of these—particularly those based on local raw materials and not requiring extremely large economies of scale—were soundly conceived on the basis of a region-wide or even national market. Furthermore, they provided a basic guaranteed volume of production on which potential new exports of some raw and processed goods to markets outside the region could be based.

Other companies, however, were destined always to need substantial protection or subsidy because they could never achieve the scale or the advantages of transport and energy cost available to foreign competitors. In addition, the new industries that required large steady imports of raw materials or components without corresponding export sales often adversely affected the balance of payments. Because of the employment they created, industries requiring foreign materials or components made it difficult for authorities to reduce imports sharply when export earnings began to fall.

Forty years of enduring monetary stability in Central America were due, in part, to the self-correcting nature of the balance of payments. Because imports were all consumer goods, a decline in export commodity income produced a rather quick decline of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

import demand. Furthermore, financial authorities could forbid many consumer imports directly, for fairly long periods, without interfering with production. Small-scale import substitution industries aimed at local markets have created urban employment and diversified income. Even those which were soundly conceived and economically viable, however, have made the economies of the area less agile and rendered monetary management more vulnerable.

Many Central American industries and parts of its agriculture now need to be re-equipped and reoriented toward overseas markets. Such an orientation would use capital more effectively and would assist in reducing the dependence of the area on a handful of raw material exports. This reorientation will require not only capital but—even more—assured overseas marketing connections, technical know-how and sophisticated management. It is in this facet of a revitalized development process that private foreign direct investment has the greatest probability of contributing in a positive way. Historically, the region—under both constitutional and non-constitutional governments—has had positive attitudes towards foreign private investment.

V

The final priority capital requirement, over a longer time-span, is for expansion of basic infrastructure—physical and human. Transport and storage are the first requirements here, followed by power, health and education.

In the educational efforts, management training at all levels in both the public and private sectors is the need of overwhelming importance, followed by basic artisan skills. Generally speaking, Central America has the institutional structure for effective production and per capita economic growth, as it has demonstrated well in the past. These institutions currently lack financial resources but, even more, they lack trained managers. The Central American educational system has never been particularly oriented in this direction, and events of the past several years have caused a steady drain of managers, at every level from executive officers to foremen and office supervisors. They must be replaced rapidly, for this shortage is now the primary constraint on ability to absorb capital effectively. Here U.S. aid can play a key coordinating role.

Various Central American projects in power, water and public health lie partially completed. Previous investment in sound projects should be salvaged by funds to finish them. There is a much smaller investment absorption problem in completing a half-finished project than with a new one.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Other constraints on ability to absorb capital all are quite secondary to the one of management. Central American labor is well motivated and has shown a high degree of adaptability to technical training. There are few cultural barriers to developing modern agricultural and industrial skills, at least as compared with many other developing societies. Racial and tribal tensions, attitudes concerning female employment, or religious barriers rarely constitute severe problems. Illiteracy is a problem which varies greatly from area to area. It is essentially zero in urban Costa Rica and very substantial in the Indian areas of the Guatemala highlands, where it is more a language than a literacy problem. Across the region in general, however, new industries in cities or towns can find adequate numbers of workers sufficiently literate to absorb training in modern productive techniques.

Transport is again a constraint in some areas, after the immense strides from 1960 to 1980. Completion of the Interamerican Highway in the late 1950s linked the countries with each other and with their northern and southern neighbors for the first time. Construction of the first paved highways between various capital cities and ocean ports then opened the way further. This network was supplemented in the 1970s by coastal highways in several countries and large numbers of all-weather secondary roads which connected new agricultural zones to markets to a degree previously unknown. As a result of these events, larger and better organized local trucking and bus companies were quickly formed and did quite well until economic and political problems began to interfere. With worsening relations between several countries, slowing production and the collapse of the Common Market, the past five years have seen very little improvement anywhere. In a few regions, shortage of air and small-cargo ocean transport is a barrier to increasing or maintaining production. Likewise, as noted, warehouses, granaries, cold storage, and such facilities are inadequate. In many cases much can be done by fixing what is there and by improving management and labor skills before undertaking new construction.

VI

The capital and credit for a Central American revival, of course, cannot only come from abroad. Local capital formation is even more important.

The most fundamental element in the outlook for internal savings and capital formation in Central America is the question of inflation. This must be brought under control progressively with the successful implementation of development plans and with sound fiscal

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

policy. The area historically has had a high degree of monetary stability and a tradition of sound fiscal management. Hence, inflationary psychology among the population is not as deeply entrenched as in many developing countries, and there is reasonable public support for the steps necessary to maintain good money.

Since the 1930s, Central American currencies had been held, until recently, at nearly constant parity to the U.S. dollar. This was, in part, due to fiscal and monetary management. In part, as noted previously, it was due to the simple nature of the economy. The Central American economy is now, however, more complex, and events of the past few years have created substantial distortions, with exchange rates and interest rates sometimes held at artificial levels. Domestic interest rates must be allowed to move in reasonable relationship to inflation and external markets if local savings are to grow again. Confidence, of course, is a vital factor. It will be favorably influenced by a visible U.S. commitment to assist the area even with enduring political uncertainties. Confidence probably cannot return without a strong U.S. role.

One of the problems in achieving a return to reasonable monetary stability is the narrow base of fiscal revenue, which has been heavily dependent historically upon export taxes and import duties. Efforts to increase income taxes or sales taxes have been difficult to enforce and usually have resulted in excessive overhead in relation to revenue. Land taxes, on the other hand, continue to be extremely low in most of the countries. Such taxes are among the easiest and cheapest to enforce and administer. Modest land taxes set at rates that would not be burdensome for productive properties, but which would be discouraging to speculators, would serve capital formation very well in two ways. First, this would push investment out of unproductive channels into presumably more productive ones. Second, this would allow the reduction of export duties which affect the competitiveness of Central American exports adversely. It could also, over time, reduce concentration of property ownership.

Middle-class home ownership also holds prospect as a means of capital formation. The new urban middle class is the segment of the population that really matters politically. There the priests, teachers, journalists, government officials, military leaders and managers of businesses mainly have their roots. An increasing proportion of the urban population has achieved a capacity to save which could be translated into home ownership if the financial devices existed. Mortgage guarantee schemes aimed at this capacity to save would achieve several results at once. There is a very big difference between rents paid by the middle class and the effective

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rental costs of ownership even with very tight credit terms. Hence, there is not much need for subsidized home financing for this income group. The governments, with our help, might guarantee mortgages soundly for an appropriate fee and provide rediscount of home mortgages paper (again for fees) through the creation of a secondary market.

Government encouragement and backing for public or private entities to create a secondary market for medium-term mortgage obligations have the prospect of contributing to local capital formation. There are indications that a market exists in some of the countries, even today, for five-to-ten-year obligations if the holders can be assured of the ability to sell them in an emergency even though at a very high discount. After real estate itself, real estate mortgages historically have been the most popular local investments by upper income individuals in Central America.

In any event, the Central Americans must make sure that they maintain policies of positive real interest rates, realistic exchange rates and reduced bureaucratic controls on credit institutions to encourage return and growth of local savings. They must also tighten up controls in the financial system to reduce political favoritism and improper use of managers' positions for personal gain.

VII

Even with every possible self-help effort, however, Central America cannot pull itself up again by the bootstraps after all that has happened. Reestablishment of reasonable new flows of credit and investment from abroad must take place now.

Obviously there are huge practical barriers in the current situation of El Salvador and in the uncertainties about political pressures or security that affect parts of the productive apparatus of the other countries. Much economic life can continue, however, with some encouragement, while more enduring political solutions are sought.

Good land exists to expand agricultural production and the basic infrastructure now is in place in most areas to tap that potential. Land ownership has been an impediment to a crippling degree only in El Salvador. In all of the other countries, in this decade, sufficient unused land exists which can be brought into production by taxes to force sale of idle lands, combined with workable credit facilities for potential buyers and operators. Thousands of acres already are in government or communal hands in several of the countries, which could be worked more intensively.

Huge recent investments in electric power, roads, ports, granaries and agricultural processing facilities are under-utilized. A large

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

percentage of Central America's manufacturing capacity is idle for lack of working capital, raw materials and—now—management. Rapid increases in production can come with cash injection. The absorptive capacity of a grossly under-utilized economy is very high. Results can come quickly for many key agricultural and industrial units and for their work forces. The region can absorb substantial amounts more quickly than areas that never had economic growth because so many tools are already there.

Central America had a whole generation of spectacular increases in productivity. This was because new agricultural areas were brought into intensive production and because industrial possibilities were opened by transport, by power and by the Common Market. It was pushed by the creation of a small new managerial class, backed by a hard-working, fast-learning population ready to accept management disciplines.

Most of this fuel for development still exists, but something has to restart the fire. It may never again burn at the rate it did without some fundamental political changes, and each country must move forward with its own political solutions. Positive political and social changes cannot take place, however, in the present economic paralysis.

It would be a tragic error for the United States to defer increased economic assistance until there are political solutions to the liking of one or another political viewpoint in the United States, or until new foolproof systems are created to assure our standards of long-term efficiency and equity. Political dialogue for hungry people is intrinsically difficult. By the time any political solutions can be negotiated, the multiplication of human misery from inoperable economies will have created new enemies of the United States daily, because people in Central America know how much can be done without significant strain on this country.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Robert S. McNamara

TIME BOMB OR MYTH: THE POPULATION PROBLEM

The thesis which I will present in this article, and which I hope will be debated by the representatives of the 160 countries scheduled to attend the World Population Conference in Mexico City in August 1984, is this:

—Population growth rates in most developing countries fell significantly in the 1970s. This has led many to believe that the world in general, and most countries in particular, no longer face serious population problems and that efforts to deal with such problems can therefore be relaxed.

—Such a view is totally in error. Unless action is taken to accelerate the reductions in the rates of growth, the population of the world (now 4.7 billion) will not stabilize below 11 billion, and certain regions and countries will grow far beyond the limits consistent with political stability and acceptable social and economic conditions. Africa, for example, now with less than a half billion people, will expand sixfold to almost three billion; India will have a larger population than China; and El Salvador will grow from five million to 15 million.

—Rates of population growth of this magnitude are so far out of balance with rates of social and economic advance that they will impose heavy penalties on both individual nations and individual families. Nations facing political instability of the kind already experienced in Kenya, Nigeria and El Salvador—instability in part a result of high population growth rates—will more and more be tempted to impose coercive measures of fertility regulation. Individual families will move to higher levels of abortion, particularly of female fetuses, and higher rates of female infanticide.

—Developed and developing countries have a common interest in avoiding the consequences of current population trends. There is much they can do to change them, both through

---

Robert S. McNamara was Secretary of Defense from 1961 to 1968 and President of the World Bank from 1968 to mid-1981. The author is indebted to staff members of the Population Council and the World Bank's Population Study Task Force for assistance in collecting materials for this article. The judgments and conclusions drawn from the data are those of the author. A slightly expanded version of this article will be printed for distribution to the delegates attending the World Population Conference. Copyright © 1984 Robert S. McNamara.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

action to encourage couples to desire smaller families, and by moves to increase the knowledge and availability of contraceptive practices to families giving birth to more children than desired.

—Unless such action is initiated, the penalties to the poor of the world, individuals and nations alike, will be enormous. And the ripple effects—political, economic, and moral—will inevitably extend to the rich as well.

In developing this thesis I will start by examining recent and prospective population growth trends. This will be followed by an assessment of the consequences of rapid population growth for families and societies, and for the world community as a whole. I will conclude by discussing policies that nations can pursue to deal effectively with rapid population growth, and examining the ways in which international assistance and cooperation can contribute to the success of those policies.

II

The long stretch of early human history was characterized by a near balance of births and deaths. This was not a matter of choice: it was imposed on mankind by precarious existence. High mortality mandated high fertility to assure survival. With the advent of agriculture—about 8000 B.C., when the best rough historical estimate is that the world's population approximated eight million—the food supply became more dependable and periods when births exceeded deaths by at least a modest margin became more frequent. Still, slowly expanding populations were frequently decimated by recurring crises and average rates of growth remained very low. At the dawn of the modern era—by about the mid-eighteenth century—the world's population had reached 800 million.

Increasing mastery over nature, associated in part with the Industrial Revolution, then led to a spectacular acceleration of the growth in human numbers. Mortality was gradually reduced and the gap between global birth rates and death rates widened. The differences between these two rates, the rate of population growth, increased steadily over the course of the next 200 years. The earth's population tripled, reaching 2.5 billion by the middle of the twentieth century—and grew by an additional 80 percent, adding two billion more, in the next 30 years. Whereas it had taken mankind more than a million years to reach a population of one billion, the second billion required only 120 years; the third billion, 32 years; and the fourth billion, 15 years.

These global totals obscure wide differences between what are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

known today as the "developed" countries—the industrial nations of Japan, Europe, and North America—and the "developing" countries of Africa, Asia, and Latin America. During the period from 1750 to 1850, the two groups of countries grew at similar average annual rates: 0.6 percent for the developed and 0.4 percent for the developing. From 1850 to 1950, the rates were 0.9 percent and 0.6 percent. But between 1950 and 1970 both rates changed dramatically, becoming respectively 1.1 percent and 2.2 percent. Those in the developing countries by 1970 were not only twice as great as in the developed nations, but exceeded by a full percentage point the most rapid growth ever experienced by them.

The experience of the industrial nations during the last 200 years reveals a most important lesson of modern demographic history. Higher rates of survival need not lead to ever-expanding populations, hence to the dire consequences envisaged by Malthus: lowered living standards and eventual reestablishment of high death rates. Humankind can also control its fertility. Low rates of growth can be the outcome of an equilibrium achieved through low death rates and low birth rates.

In many of these more economically advanced societies, even before the end of the last century, a spontaneous decline of fertility set in. Millions of individual couples decided to opt for smaller families, and we have since seen that the demographic transition can run its full course to population stability with low mortality. We also know that the behavioral responses to the spread of industrialization and urbanization underlying that transition are not limited to Western populations but are much the same the world over.

Yet contemporary patterns of demographic change also demonstrate that the response to "modernization" is not automatic and may occur so slowly as to prevent an orderly approach to the endpoint of population stability. The process of transition initially generates greater population growth, with death rates falling faster than birth rates. The magnitude of that growth can affect the speed and characteristics of the transition itself. If population growth is very rapid, the socioeconomic transformations that could be counted on eventually to lower birth rates may be retarded. Thus in some cases the Malthusian scenario could, after all, prove to be relevant.

More typically, as I will argue in the next section, the scale of population growth generated by the transition may be such as to postpone or permanently foreclose desirable patterns of develop-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment that could have been attainable with less rapid demographic expansion.

Population trends that have become clearly visible in the second half of this century exhibit characteristics without historical precedent. The global increase in numbers during the past three decades was greater than the world's total population at the beginning of the century. Over 80 percent of this increase took place in the developing countries. The increase in the low-income countries alone—countries with per capita gross national product of less than $400—exceeded one billion.

The reasons for such explosive growth are well known and do not need repeating here. I would call attention, however, to two facts. First, the speed at which death rates declined in the developing countries following the end of World War II was much faster than was the case in the equivalent phase of earlier demographic transitions. The massive application of imported medical and public health technology and improvement in food production largely explain this success. And second, in most developing countries the pre-transition levels of birth rates were higher than was typically the case in earlier Western experience. The birth rate of the developing world as a whole in the early 1950s exceeded 45 per 1,000 population. This compares with birth rates of 30 to 35 per 1,000 in Western Europe in the nineteenth century, prior to the onset of the secular decline of fertility.

Thus by the early 1950s many developing countries were experiencing annual growth rates of over two percent, some even three percent. Between 1955 and 1975, for example, the average annual rate of population growth in the Central American republics was 3.2 percent. Such a rate, if sustained for a century, would increase the population more than 24-fold. The growth rate for the developing world as a whole in 1965–69 was 2.6 percent, a rate that would double the population in less than 27 years and increase it more than 13-fold in a century.

As in earlier demographic transitions, the beginning of an adjustment process eventually became visible. In the 1960s, in the developing world as a whole, the average number of children a woman would bear during her lifetime at prevailing levels of fertility was nearly 6.5. By the late 1970s, that figure had declined by almost 30 percent, to 4.6 children. Birth rate trends between 1950 and 1980, summarized in Table I below, reflect that decline. Moreover, the decline, slow in the 1960s, accelerated in the 1970s. Estimated figures for 1980–85, shown in the last column of the table, indicate further decline, although at a more moderate pace.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE I

CRUDE BIRTH RATES BY REGIONS: 1950–1985

(annual number of births per 1,000 population)

Region	*1950–55*	*1960–65*	*1970–75*	*1975–80*	*1980–85*
Africa	48.1	48.3	47.0	46.9	46.4
Latin America	42.5	41.0	35.4	33.3	31.8
East Asia*	45.0	37.3	33.9	22.3	18.8
South Asia	45.6	45.8	40.6	37.7	34.9
Developing Countries	45.4	42.8	38.7	33.5	31.2
Developed Countries	22.7	20.3	17.0	15.9	15.5
Total World	38.0	35.9	32.7	28.9	27.3

* Excluding Japan
SOURCE: United Nations 1982 assessment.

During the 1950s and 1960s, with the decline of death rates on the whole faster than that of birth rates, rates of population growth continued to increase. But beginning with the early 1970s a slow deceleration of population growth has become evident. For the world as a whole, measured over five-year periods, the growth rate peaked at 2.1 percent in the second half of the 1960s. As Table II shows, the estimated annual rate for the early 1980s is 1.67 percent.

TABLE II

ANNUAL RATES OF POPULATION GROWTH BY REGIONS: 1950–1985

(percent)

Region	*1950–55*	*1960–65*	*1970–75*	*1975–80*	*1980–85*
Africa	2.11	2.44	2.74	3.00	3.01
Latin America	2.72	2.80	2.51	2.37	2.30
East Asia*	2.08	1.81	2.36	1.47	1.20
South Asia	2.00	2.51	2.44	2.30	2.20
Developing Countries	2.11	2.30	2.46	2.14	2.02
Developed Countries	1.28	1.19	0.89	0.74	0.64
Total World	1.84	1.96	2.03	1.77	1.67

* Excluding Japan
SOURCE: United Nations 1982 assessment.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Thus a historic turnaround has occurred in world population growth: after centuries of steady acceleration, overall growth rates during the last decade and a half have turned downward.

This decline in the rate of population growth has led many observers to believe that the world in general, and most individual countries as well, no longer face serious population problems and, therefore, that efforts to deal with such problems can be relaxed. Editorial writers and commentators in the mass media have been quick to take up this theme, announcing the end of the population explosion or declaring rapid population growth to be "another non-crisis."

But this assessment is simply wrong.

The fertility change which has occurred during the last decade or two has been very uneven. In particular, the statistical decline for the developing countries as a whole, and indeed for the world, is heavily skewed by the special experience of China. In many other parts of the developing world, including much of Africa, a large part of South Asia, and some countries of Latin America, no measurable or significant drop in fertility has occurred. The combined current population size of countries and regions that have experienced no appreciable reduction of fertility exceeds 1.1 billion. And as we shall see in the next section, in many of the countries where growth rates have slowed the situation remains perilous.

III

What are population growth prospects for the next few decades and for the longer term?

Uncertainties affecting the future argue for some caution in answering. Demographic processes have a built-in momentum that permits relatively accurate forecasts for 15 to 20 years ahead. Beyond that time span, the possibility of error becomes much greater. The question, however, remains highly appropriate, and is answerable in part with a fair degree of accuracy. We know, for example, that a large majority of the children born in the 1980s will be still alive past the midpoint of the next century.

To answer the question for the longer term, we can spell out plausible assumptions as to the future course of fertility and mortality, and calculate the implications of these assumptions for future population size and other demographic characteristics. Those who wish to challenge the orders of magnitude resulting from such calculations can best do so by challenging the underlying assumptions, and by proposing and defending alternative assumptions that they consider more plausible.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The results of such a projection exercise covering the time span from 1980 to 2100, undertaken by the World Bank, are presented in Table III below. The projections are based on the estimated population size in 1980 and its sex and age distribution. They incorporate the assumption that mortality improvements in the future will trace the historical experience of the more advanced countries in moving toward higher levels of life expectancy.

TABLE III

POPULATION PROJECTIONS: 1980–2100

(population in millions)

Selected Countries	*1950*	*1980*	*2000*	*2025*	*2050*	*2100*	*Total Fertility Rate–1980*	*Year in which NRR = 1*
China	547	980	1,198	1,397	1,414	1,426	2.3	2005
India	350	675	1,001	1,361	1,605	1,778	4.7	2020
Indonesia	80	146	216	297	351	388	4.4	2020
Brazil	53	118	177	239	274	297	3.9	2015
Bangladesh	42	89	156	259	342	412	6.3	2035
Nigeria	32	85	169	329	472	600	6.9	2040
Pakistan	40	82	148	249	329	394	6.4	2035
Mexico	27	69	115	166	197	214	4.8	2015
Egypt	20	42	64	88	104	115	4.6	2020
Kenya	6	17	40	84	122	153	8.0	2030
Regions								
Developing Countries:								
Africa	223	479	903	1,646	2,297	2,873	6.4	2050
East Asia	587	1,061	1,312	1,542	1,573	1,596	2.3	2020
South Asia	695	1,387	2,164	3,125	3,810	4,328	4.9	2045
Latin America	165	357	543	748	868	944	4.1	2035
Sub-total	1,670	3,284	4,922	7,061	8,548	9,741	4.2	2050
Developed Countries	834	1,140	1,284	1,393	1,425	1,454	1.9	2005
Total World	2,504	4,424	6,206	8,454	9,973	11,195	3.6	

SOURCE: 1950, U.N. estimates; other years, World Bank estimates and projections.

The nature of the more crucial fertility assumptions is summarized in the last two columns of the table. Starting with the estimated level of fertility in 1980 (expressed in terms of the Total Fertility Rate, that is, the number of children an average woman would have during her lifetime), the projections stipulate a decline to replacement level fertility—when the Net Reproduction Rate (NRR)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

equals 1—by a date that is specified for each country separately. Replacement level fertility means a level of childbearing in which each couple on average replaces itself in the next generation.

But when replacement level fertility is reached in a society, it does not mean that the population immediately ceases to grow. It may continue increasing for decades, depending on the society's age structure.

In the typical developing country, the high birth rates of the past have produced a broad-based pyramid of age distribution with a relatively high proportion of persons currently in, or yet to enter, the reproductive ages. When replacement level fertility is first reached in such a country, the population will still possess a strong growth momentum. It will continue to grow until the very large numbers of females at the bottom of the age pyramid have passed through their reproductive years—indeed until the pyramid has narrowed to resemble a rectangle with a small cone on top. Such a nation will not reach a stable population level until 50 or 70 years after it has achieved replacement level fertility; during that period its population will have increased by an additional 50 or 60 percent.

The assumptions concerning the future tempo of fertility decline in the developing counties, incorporated in the projections, reflect the judgment—or the hope—that recent declines will not only continue at a rapid pace in the near future but will do so until replacement fertility is achieved. Where fertility is still high—for example in Africa and parts of South Asia—it is assumed that it will start to decline well before the century's end and then the downward trend will be precipitous and sustained.

These are, in fact, heroic assumptions. They require that the move from high fertility to replacement level fertility—which took about a century and a half in the United States—be completed within a drastically shorter time span in today's developing countries. The assumptions envisage no possibility of temporary reversals or pauses on the downward course of fertility. They allow for no "baby booms," such as the West experienced, once replacement fertility has been attained. Yet the populations that must conform to these demanding stipulations are largely poor and rural. They are populations where security in old age is still derived primarily from the support of one's children. Many are populations with religious and cultural values that place a high premium on fertility.

But let us take the assumptions at face value, despite their implicit optimistic bias. The projections in Table III are sobering. For the reasons I referred to, rates of growth in the developing countries, although declining, will remain high for decades to come.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

India will more than double in the next 45 years, becoming almost 40 percent larger than China is today. Bangladesh in the same time will have nearly tripled and will have 259 million people jammed into an area, alternately swept by flood and drought, the size of the state of Wisconsin. Mexico, which today has the most rapidly growing labor force of any large country in the world, will more than double in size. And Kenya, in which 17 million people are already putting heavy pressure on the limited supply of arable land, will have quintupled.

The total population of the developing countries as a group, 3.3 billion in 1980, will rise to over seven billion by 2025, and to over 8.5 billion by 2050. Of this total, Africa's population will be 2.3 billion, representing a tenfold increase during the course of the preceding 100 years. A century from now the world's population will total about 11 billion. So much, then, for the supposed end of the population explosion.

IV

Now what do these projections mean for human society over the coming decades—say, over the lifetime of children born in the 1980s? To what extent will this expansion in numbers absorb the resources that could have improved the quality of life in impoverished nations? What human values are likely to be curtailed in order to sustain that expansion? And how will international relations, both political and economic, be affected in a world with two or three times its present population? Answers to such questions must, of course, involve speculation, but enough is known today about demographic effects to provide some general outlines.

One can begin by grouping the consequences of population growth into two broad categories. First are the effects that bear on the pace of national economic development and on political stability and human rights in the developing countries. These effects, seriously detrimental on both counts, loom increasingly large to the governments of many poor countries. And second are the effects on the international system: principally, the perpetuation of the gap between rich and poor countries and all that implies for international economic and political relationships.[1]

At the national level, rapid population growth translates into a steadily worsening employment future, massive city growth, pressure on food supplies, degradation of the environment, an increase

[1] Supporting data for this analysis are drawn for the most part from World Bank materials.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in the number of the "absolute poor," and a stimulus to authoritarian government. I will discuss each of these in turn.

Over the 20 years from 1960 to 1980, the working-age population (15–64 years) of the world's developing countries increased by 730 million, to reach a total size of 1,860 million. Over the 20 years, 1980–2000, this total will increase by 1,150 million. These are people already born. Their numbers up to the end of this century are not subject to the vagaries of forecasting trends in reproductive behavior. How will they secure economic support?

One way or another, most of them will find at least a foothold in the economy. Unemployment is an option few can afford in poor countries. It is equally apparent that even with optimistic assumptions of renewed vigor in the world economy, modern-sector jobs with high productivity will not be available in remotely sufficient numbers. Indeed, the proportion of the labor force in such jobs, a sensitive indicator of development success, may well decline in some countries, reinforcing the dualistic nature of their economies.

Agriculture too cannot indefinitely expand its employment. The ratio between land area and population is already at very low levels. In India between 1953 and 1971, a 66-percent increase in the number of rural households was accompanied by only a two-percent increase in the cultivated area. The number of holdings of one acre or less more than doubled to 35 million, and the average size fell to 0.14 acres. Land subdivision eventually yields plots too small for subsistence. The trend, therefore, over recent years has been for agricultural employment to decline in relative terms even in the poorest and economically most stagnant countries.

Under optimal conditions labor-intensive manufacturing would take up the slack, producing both for the domestic market and for export. But the reasons that in practice make for much slower than optimal employment growth in manufacturing are all too familiar.

What labor-absorption possibilities are left? The short answer is the service sector. Once regarded as a manifestation of post-industrial affluence, the service economy is now increasingly evident even among the poorest nations of the Third World. Government itself, on both its civil and military sides, is a major employer: in Kenya, in the 1972–80 period, for example, the public sector accounted for two-thirds of the growth of wage employment. Small-scale trade and unorganized services of all kinds serve as a reservoir for the underemployed, yielding marginal private subsistence, but in many situations effectively zero productivity.

Much of this low-grade employment growth goes into urban areas, swelling cities far beyond their real economic base.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Up until the present decade the absolute increases of population in the developing countries have been greater in rural areas: in the decade 1970–80, for example, 340 million persons were added to rural areas, 321 million to urban areas. In the future, the balance is projected to shift. In 1980–90, U.N. forecasts show 320 million added in rural areas, 481 million in urban; in 1990–2000, the corresponding figures are 219 million and 662 million.[2]

Thus, despite the fact that the rural population of the developing countries will continue to grow well into the twenty-first century, the bulk of future population increases will be channelled into the cities. For several decades these cities have been growing at rates of four or five percent per year, rates that double their sizes in less than 20 years.

Over the last quarter of this century the number of Third World cities with populations above ten million is projected to increase from three to 21. Huge urban agglomerations are, of course, known in the West: the New York-northeastern New Jersey metropolitan area, or Tokyo-Yokohama, both with populations close to 20 million, or Los Angeles and London. These are now, however, growing slowly if at all. They have built up housing stocks, physical infrastructure, and public amenities over many decades of heavy investment—yet their maintenance problems are acute. The giant Third World cities—Mexico City (31 million by 2000), São Paulo (26 million), Shanghai (23 million), Bombay and Jakarta (each 17 million), and so on—will have doubled or more in the last quarter of this century. These sizes are such that any economies of location are dwarfed by costs of congestion. The rapid population growth that has produced them will have far outpaced the growth of infrastructure needed for even moderately efficient economic life, let alone amenity for their residents.

These massive urban populations, however impoverished, must be fed. But food production in many parts of the world has not kept up with population growth.

It is not technically difficult to increase food production at rates sufficient to maintain per capita consumption, or even to keep up with rising demand as consumer incomes edge upward. Even in extreme cases such as Bangladesh or the countries of the African Sahel, agronomists can identify ways to raise crop yields. Yet postwar experience has been one of recurrent food crises.

World Bank estimates of trends in per capita food output in the 1960s and 1970s are as follows (in percent per year):

[2] *Patterns of Urban and Rural Population Growth*, New York: United Nations, 1980.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

	1960–70	*1970–80*
Low-income countries	0.2	−0.3
Middle-income countries	0.7	0.9
All developing countries	0.4	0.4

Regionally, the worst performers were Africa, where the 1970s saw per capita output decline by 1.1 percent annually, and South Asia, where there was zero growth. For the low-income countries as a whole—with a population of 2.25 billion—production over the 20-year period failed to keep up with population.[3]

Part of the reason for this poor performance lies in the social organization of agriculture: regressive tenancy arrangements; inadequate credit, storage, and marketing systems; inordinate government regulation; and so on. In addition, however, and underlying many of these constraints, there is the basic conflict between pricing policies designed to enhance agricultural productivity and policies designed to cater to the immediately pressing demands of urban consumers. In this conflict, blunted farm-level incentives are the typical outcome.

Agronomy tends to take for granted the stability of ecological systems. Yet good agricultural practices are very evidently threatened by the inexorable buildup of rural populations. As agricultural land is expanded to its geographical limits, but still at bare subsistence levels of production, ecological vulnerabilities are exposed.

In particular, high rates of population growth have been a major factor increasing the demand for firewood, which has led to widespread deforestation in many developing countries. In these countries the estimated 1.3 billion people whc depend on firewood for fuel are cutting it faster than it is being replaced, with resultant damage to flood control, arable lands, power production, and household economics. Silting up of dams, caused by clearing of watersheds, is reducing their useful life by 50 percent. In Tanzania, firewood has become so scarce that each household spends 250–300 working days per year simply gathering its wood supply. In China, 70 million of 170 million households—300 million people—suffer serious fuel shortages for up to six months a year. In much of West Africa, families that traditionally cooked two meals a day can now cook only one a day or one every other day.

During my tenure as president of the World Bank I coined the term "absolute poverty" to refer to a condition of life so characterized by malnutrition, illiteracy, and disease as to be beneath any

[3] *World Development Report*, Washington, D.C.: World Bank, 1982.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

reasonable definition of human decency. It is a term that can be applied across countries, irrespective of differences in country-specific definitions of the poverty level. In 1980 the Bank estimated that 780 million persons in the developing countries (excluding China) lived in absolute poverty. As a proportion of the total population this was estimated to have decreased over the preceding two decades (except in sub-Saharan Africa), but the absolute numbers had increased.

High population growth rates severely limit the progress that can be made in reducing the number of absolute poor. In sub-Saharan Africa, expected population growth would increase the absolute poor by two-thirds between now and 2000. But with a more rapid fertility decline the increase could be held to 20 percent.

V

Rapid population growth, in sum, translates into rising numbers of labor force entrants, faster-expanding urban populations, pressure on food supplies, ecological degradation, and increasing numbers of "absolute poor." All are rightly viewed by governments as threats to social stability and orderly change. Even under vigorous economic growth, managing this demographic expansion is difficult; with a faltering economy it is all but impossible. Perceived political threats, actual or anticipated, elicit a strengthening of administrative control over the population. I am not asserting that population growth is the dominant force behind the trend toward authoritarian government in the contemporary world, but I do see it as a major contributor.

This contribution is especially evident where population growth is associated with ethnic or communal differences. Many communal tensions are rooted in expectations of adjustment in political representation as demographic change occurs. The politicization of census-taking in Nigeria is a relatively benign example. The recent killings of Bengali migrants in Assam show the problem in its extreme form. In such cases an authoritarian response by government is to be expected.

In addition to the administrative consequences of rapid population growth, the absolute size of a population also has administrative implications. Today's most populous developing countries are ten times or more the size of the larger of the now-developed countries at the beginning of their industrialization. France had a population of some 30 million around 1800; Japan was about the same size in 1850; Britain in 1800 had fewer than ten million people; the United States in 1850 about 24 million. The legacy of administrative

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

technology left by such countries may have little to offer even medium-size developing countries in the contemporary world. Simon Kuznets in his 1971 Nobel Prize acceptance speech pointed out that Third World countries face "a long period of experimentation and struggle toward a viable political framework," and that economic advance for them was contingent not only on adapting to their own needs the available stock of material technology but also, and even more, on "innovations in political and social structure."[4] The political formats emerging from contemporary efforts to mobilize and govern vast national populations have long-range implications not only for the course of economic growth but also for the kinds of societies that result.

Authoritarian responses can be addressed to the causes of rapid population growth—continued high fertility—as well as to its consequences. China is the preeminent example here. Since 1970 it has devoted a part of its considerable administrative capacities to promoting a drastic decline in family size. It is currently endeavoring to institute one-child families. Such policies represent the outcome of a deliberate assessment of the urgency of dealing with rapid population growth. In effect, China's leaders have concluded that the political difficulties of undertaking those actions were outweighed by the anticipated adverse consequences of delay or adoption of more gradualist, voluntary measures.

There is accumulating evidence that rapid population growth is leading toward more pervasive regulation of social life in many societies. Curtailed freedom of movement within countries is one such constraint that may well be more widely practiced in the future, as governments gradually acquire the means to impose it.[5] And restraints on reproductive freedom may similarly become more common in cases where governments through incapacity or unawareness have allowed demographic pressures to build to extremes. I am not speaking here of government measures aimed at creating greater social responsibility in the reproductive decisions made by families, but of coercive government intrusions into the decision themselves—forced sterilization for example.

These will almost certainly lead to or be accompanied by increasingly harsh actions by families themselves: higher rates of abortion following the birth of the third or fourth child; use of pregnancy tests to determine the sex of an unborn child, followed by abortion

[4] Simon Kuznets, "Modern Economic Growth: Findings and Reflections," *American Economic Review*, Vol. 63 (1973), pp. 256–257.

[5] China has employed direct mobility controls, restricting movement from rural to urban areas, since 1950.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of female fetuses; and rising rates of female infanticide. In November 1982, for example, the *China Youth News*, alluding to reports that under pressure from the government's birth control program parents were once again killing their girl babies, stated: "Some of these unfortunate children are left by the roadside or abandoned on street corners while others are even drowned. . . . If this phenomenon is not stopped quickly, then in twenty years a serious social problem may arise; namely that a large number of men will not be able to find wives." The paper went on to note that in certain rural areas three out of every five surviving babies were male.[6] If such reports are correct, they would indicate that one-third of the female infants had been killed.

If present growth trends continue, I expect such coercive measures by governments and such brutal actions by families to be common by the end of the century.

VI

The greater part of the adverse consequences of rapid population growth are the effects I have described, those felt by individuals, families, and national governments. These effects, of course, may be reason enough for concern by the broader international community, simply on humanitarian grounds. But the international order is also affected in more tangible ways. The continuing shift in the world's demographic center of gravity toward developing countries, and toward the poorer among them, has important implications for economic relations between states. Political instability within nations not infrequently spills over into the wider international arena. Just as certain desirable development options that once were open to particular countries are ruled out as population numbers mount, so a similar narrowing of possibilities may confront the international system.

At the level of the international economy, differential demographic growth contributes significantly to maintaining and even widening the income gap between rich and poor countries. Between 1955 and 1980, for example, per capita income in the United States, in constant 1980 dollars, grew from $7,000 to $11,500. In the same period in India, it grew from $170 to $260. What had been a gap of $6,830 in 1955 almost doubled in a quarter-century to $11,240 in 1980. In 1980 the developed countries, with 25 percent of the world's people, produced 77 percent of the world's output. Eighteen percent of the output was earned by the 28

[6] Orville Schell, "A Reporter at Large," *The New Yorker*, January 23, 1984, pp. 81–82.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

percent of the people living in the middle-income developing countries (Brazil, Turkey, etc.). And only five percent of the world's output was shared by the 47 percent of the people living in the low-income countries (India, China, sub-Saharan Africa, etc.).

To maintain income, capital per person must be maintained; a lesser rate of population growth releases resources for increasing capital per person. Here again the contrasts between developed and developing countries are large. If all investment in Bangladesh, during 1980, had been allocated to new workers, each person would have had less than $1,700 invested on his behalf. The comparable figure for the United States was $190,000.

The prospective growth patterns I have described make virtually certain that the existing economic differentials will continue well into the next century.

Contrasting growth trends in the population of labor-force age accentuate the differences in employment opportunities and in the relative prices of the factors of production between developing and developed countries. During the rest of this century, the population in the critical young-adult age group (20–40 years) in the developing countries will be expanding at the rate of 2.6 percent per year, while the corresponding figure in the developed world will be one-tenth of that rate. The contrasts in absolute numbers are even more telling. Between 1980 and 2000, the developing countries will see the number of young adults increase by more than 630 million; the developed countries, by merely 20 million. The corresponding figures during the preceding two decades were 350 and 60 million.

These demographic trends in developing countries will exert a powerful force toward keeping real wages down. If political stability is maintained, they will tend to keep the labor force docile and pliable. In countries that succeed in combining such conditions with effective educational and health systems, the resultant abundant supply of labor will constitute a formidable asset in competing with the industrialized countries in international markets for mass-produced goods. Under conditions of relatively free trade and international mobility of capital and entrepreneurship, industry would tend to shift production to low-cost areas. The result could be massive and rapid structural change in the world economy through the relocation of entire branches of industry from the developed to the developing countries, with far-reaching employment consequences.

The developed countries obviously would not permit such an outcome, however compelling the global economic logic that supports it. Instead it is likely that the principles of free trade and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

capital mobility, principles which have served the world economy well in the postwar years, would increasingly be called into question.

I discussed earlier the strains put on national development efforts by rapid population growth. Amplified by the rising expectations that result from increased exposure to the outside world, dissatisfaction of significant segments of the population with their status is now growing in many countries. The weakening and eventual breakdown of social institutions that have accommodated poverty, and mediated between conflicting interests in the traditional society, lead to sharpened class conflicts and regional antagonisms. The political turbulence that results is exacerbated by the demands on government made by the steadily growing numbers of those seeking access to the modern economy. Not infrequently this turbulence spills over into the international arena.

In any proper accounting of the forces making for international strife in the contemporary world there are always interwoven layers of causality: domestic political forces, economic interests, the intrusion of great power rivalries, and so on. Changing demographic configurations must similarly be factored in here. The current conflict in Central America is a prime example in which demographic pressures have played such a role—one explicitly recognized, for example, in the Kissinger Commission's report.[7]

One highly visible international outcome of political instability is migration. I do not refer here to the international movement of labor or of permanent settlers, regulated by governments. Rather, I mean the large but sporadic refugee movements that have punctuated modern history, and that may well occur on an even larger scale in the future. Sheer numbers here can overwhelm national borders and administrative capacities. As a striking case in point, approximately ten million Bangladeshi refugees entered India in 1971 at the time of Bangladesh's war of independence.

A final point on the international consequences of rapid population growth follows from these considerations. Popular writings often foresee a world future of general affluence, with modern communications joining all into a "global village." But the persistence of wide differences in national economic and social development, caused in turn partly by differential population growth, works strongly against any such trend. Convergence toward an integrated human society is not a realistic option under such circumstances. Development paths that would have been open to a world of, say,

[7] *The Report of the President's National Bipartisan Commission on Central America*, New York: Macmillan, 1984.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

three billion persons—the world's total in 1960—will not be open to a population four times that size.

VII

If the preceding analysis is anywhere near the mark, policies capable of reducing rapid population growth—effectively yet humanely—deserve the highest priority in the governments of those countries now confronted with that problem. Such policies largely come down to those aimed at reducing fertility.

What can a government do if it wishes to reduce fertility? Seven years ago, in an address at the Massachusetts Institute of Technology, I sought to answer that question.[8] I pointed out that the range of possible interventions divides into two broad categories:

—Those designed to encourage couples to desire smaller families; and

—Those designed to provide parents with the means to implement that desire.

Both approaches are necessary. The first sets out to alter the economic and social environment that promotes high fertility, and by altering it to create among parents a new and smaller norm of family size. This generates a demand for birth control. The second endeavors to meet that demand, helping to make the new norm attainable. Family planning services are important, but in the end can be effective only to the extent that a demand for lower fertility exists.

I proceeded in my address to spell out a number of policy actions that governments can take to help stimulate demand for fertility control. My list, I believe, remains as valid today as it was seven years ago. Among other possible measures, I emphasized the reduction of infant and child mortality; the expansion of basic education; the more equitable distribution of income; and above all else, the raising of the status of women socially, economically and politically.

Such measures, I argued, should be complemented by programs to promote a social consensus favoring small families; by the introduction of, or at least experimentation with, incentives and disincentives encouraging low fertility; and, last but not least, by vigorous government efforts aimed at improving access to modern means of fertility control.

My MIT address discussed in detail the rationale and the essential

[8] *The McNamara Years at the World Bank: Major Policy Addresses of Robert S. McNamara 1968–1981*, Baltimore: Johns Hopkins, 1981, pp. 377–435.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

components of such a program. I need not repeat them here. Much of what I said was beginning to be reflected, even then, in the policy directions pursued by the leading international development agencies concerned with population matters. It had also been incorporated into the formal policy declarations of some of the major developing countries endeavoring to reduce population growth.

Has the policy worked? Can it be counted upon to deliver the result—the rapid and accelerated reduction of fertility, the urgency of which I have argued for in this article?

The questions have no simple answer. During the last decade or two the developing countries have exhibited a great diversity of development policy approaches and demographic patterns. There is diversity too in their historical backgrounds, cultural and ethnic characteristics, and attained levels of development, all of which confound efforts to trace the causal relationship between policy and outcome. On the basis of recent experience, however, one can distinguish at least four types of situations:

First, in a number of countries in the middle income group—epitomized by Brazil—rapid fertility decline has begun and is proceeding apace, even though the policies pursued by the government have little resemblance to the policy package outlined here. One might be tempted to conclude that in such countries the classical mechanisms of the developed nations' demographic transition are at work, obviating the need for an activist population policy.

There are, on the other hand, a number of societies which have followed the policy prescriptions summarized above and in which fertility rates have fallen. South Korea, Taiwan and Sri Lanka are perhaps the best examples. There is an element of circularity in interpreting their record in reducing fertility as validating the policy package in question, since to a significant extent the policy itself was fashioned from analyzing that record. Still, it can be persuasively argued that measures that worked there will yield similar success at least in those countries of the developing world that possess administrative capacities approaching those of Korea, Taiwan or Sri Lanka.

A third example is the special case of China, where fertility reduction has been achieved through active government intervention that goes well beyond the kind of policy package I proposed at MIT. Chinese policies have achieved notable progress in changing traditional social norms regarding large families, and in providing effective family planning services. Nevertheless, the spectacular reduction of fertility in China was greater than could reasonably be

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

expected from the provision of family planning and the overall process of development. Such policies could hardly be expected to result in a spontaneous demand for and substantial achievement of the one-child family, the central objective of current Chinese policy. The compulsion and coercion added to the Chinese family planning program demonstrates that in the judgment of the Chinese government the standard policy package was simply not enough. Strong sanctions, the government concluded, were absolutely necessary if the demographic objectives it had formulated in the name of the collective interest were to be achieved.

In the preceding section, I suggested that the felt necessity of intrusive interference by government with parental decisions on childbearing is one of the deleterious consequences of population pressures inherited from the past. Whether or not the Chinese government has correctly assessed the nation's demographic predicament, Chinese policies do in fact underscore the limitations of the policy package I have proposed. Thus current Chinese policies may be a prototype of what is likely to be attempted in the future by other governments that conclude that the "normal" protracted process of stabilizing their population must be drastically shortened.

A fourth group of countries—and from the point of view of the world's demographic future the most important—is made up of those in which the onset of fertility decline has not yet occurred. I noted earlier that these countries, which include most of the world's poorest populations, comprise some 1.1 billion people in Africa, South Asia, and Latin America. What are the prospects that the policies I advocated at MIT will work in these nations?

The evidence of past performance seems discouraging. In some of the countries in this group—Pakistan, for example—the principal ingredients of the policy package have been avowed government policy for decades. Countless official declarations endorse the objectives of achieving an equitable income distribution, the emancipation of women, child and maternal health, universal basic education, and free access to family planning services. Programs are presumed to be in place to give meaning to such words. Elsewhere—as in Kenya or Zaïre, for example—the endorsements and programs are more recent but equally emphatic.

The words are in place, but on the evidence to date the programs are not working. Fertility is unaffected. Why is that so?

It is important to get a grip on the correct answer to this question. Otherwise, policies that have failed to bring results in three decades, say, in Bangladesh, may be recommended to, say, Nigeria, only to find, 30 years from now, that the transplant, too, was unsuccessful.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Part of the answer lies in lack of political will by governments to accord population policy the priority it deserves on the national agenda. What amounts to virtually the same thing, sensitivity to the gravity of the adverse consequences enumerated above may simply not have penetrated to the top echelons of government. Anyone with experience at these levels is familiar with the difficulty of focusing on medium-term and long-term issues in the face of a host of more immediate problems clamoring for attention. The most tangible effects of this year's high fertility rate will not begin to show up for 15 or 20 years—a lifetime away in the time-scale of political life.

Political will alone, of course, is not enough. An effective fertility reduction program clearly requires an appreciable degree of administrative capacity. Experience has shown that this can best be achieved by greater decentralization of responsibility for the management of the program.

Effective results in the promotion of a social consensus favoring a smaller family norm, and in the provision to families of the modern means of fertility regulation to achieve it, almost require as a precondition the development of a more coherent community voice at the local level. This clearly has been an important element in the striking successes in family planning in recent years in such societies as Indonesia and Thailand.

The administrative burden on national government can also be eased by placing greater emphasis on nongovernmental efforts in distributing contraceptive supplies, both nonprofit and commercial. It is too readily taken for granted that governments must necessarily assume the major operational responsibility for distribution of family-planning services—even in those settings where they have obviously been unable to deliver a wide variety of other basic services.

These observations suggest ways in which the obstacles in the way of progress toward low fertility might be overcome in countries which have yet to experience significant reduction or where early successes have faded.

But the most important single step that any nation can take to reduce its rate of population growth is to establish a frame or a plan within which all of these measures can be formulated and against which progress can be periodically evaluated.

Each nation experiencing a rapid rate of population growth should, therefore, examine past trends and future prospects and come to a judgment of whether projected population levels are optimal in terms of the social and economic welfare of its people.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

If they are not, what are acceptable quantitative goals and how can they be reached?

If nations had established such goals ten years ago, no major developing country, with the possible exception of China, would now be satisfied with its demographic progress during the past decade. Even China, which has set a target of stabilizing its population at 1.2 billion people, would have to recognize that it is likely to grow to a total of at least 1.4 billion.

The problem today is not one of a failure of governments to agree that population growth rates must be limited if social and economic development is to be maximized. Instead, it is an unwillingness to recognize that insufficient progress is being made in reducing fertility and that if this failure is to be overcome, additional political and financial capital must be spent in pursuit of that objective.

As a foundation for such action, country fertility targets must be set for specific time periods. Realistic policies can then be introduced which will lead to desired family sizes consistent with those targets, and family planning services can be provided to permit couples to achieve them. Reports to the nation each year—analogous, in some ways, to the World Development Report published by the World Bank—on the degree to which the overall targets, and the necessary supporting actions, are being realized would provide an assessment of the progress achieved. Such reports would introduce a discipline that would lead, over a reasonable period—say five years—to an effective fertility reduction program.

The reports would indicate where greater program efforts were needed, and would identify those signal successes—and most countries have them—that could be mined for program insights helpful elsewhere. The managerial value, at both local and national levels, of comparing accomplishments of local government units against each other and against absolute standards, is hard to exaggerate.

A special word should be added about formulating national population plans in sub-Saharan Africa. This area has a unique set of problems. It has the highest population growth rate of any region in the world, the lowest capability for absorbing such growth, and the weakest programs for limiting it.

During the 1970s, population in the area increased at 2.7 percent per year, compared to 2.5 percent in the 1960s. Growth rates are likely to accelerate even faster in the 1980s. Excluding Nigeria, per capita income declined during the 1970s and has declined by two percent per year in the 1980s. Life expectancy at birth was only 49 years in 1979; fewer than four out of every ten adults are literate;

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and only one out of three children survive to adulthood in the poorest countries. Only five percent of married women of reproductive age are using modern contraception, and yet politicians have been reluctant to propose limiting family size because the demand for children is extremely high (desired family size is six to nine children).

Sub-Saharan Africa's 1984 population of 440 million will double in the next 20 years. The important question is whether in the next half-century the population will merely triple, or whether it will swell to five or six times its present size. What the governments and people of these countries must face, in their consideration of national population goals, is that failure to act quickly to reduce fertility voluntarily is almost certain to lead to widespread coercive measures before the end of the century. And in the meantime, social and economic distress will increase and be widespread.

VIII

These then are the critical components of the role of national governments in this issue. These governments bear a heavy responsibility, and rightly so, in fashioning any effective and humane solution to the world's population problem.

There is also, of course, an important role for the international community. The most important help that community can give is to increase its support for high rates of economic and social advance throughout the developing world and, in particular, in the low-income countries.

This will require far stronger resistance to the increasing pressure for protectionist barriers to the exports of the developing countries, a longer-term approach to the debt crisis and to the future financial requirements of the middle-income countries, and a much greater recognition of the need of the low-income countries for larger flows of concessional aid. The greatest obstacle to the latter, at present, is the refusal of the U.S. government to join the 30 other contributors to the International Development Association—the largest single source of financial assistance to the poorest countries—in supporting a lending program for that institution for the next three years of $12 billion instead of $9 billion.

I have addressed all of these issues before and I will not expand on them now. Instead I want to suggest that the role of the international community, with specific reference to the population problems, is a threefold one.

First, it is to help provide technical and material assistance to population programs in high-fertility countries. The assistance must

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

be on a scale adequate to ensure that these programs, at least in their early years, are not constrained by lack of resources and can in fact operate with a reasonable degree of efficiency. Clearly, realism dictates that the limited volume of such assistance likely to be available for population issues not be spread thinly on peripheral programs that only indirectly influence fertility levels. Family planning and associated health and nutrition programs should be the major beneficiaries.

Second, the international community should continue to work toward easing the inconvenience and enhancing the safety of fertility regulation, through continued support of contraceptive research and development. Programs relying on coercion need pay little attention to either. But for the voluntary programs we are concerned with here, a wider choice among safer and more effective methods will surely enhance program results.

These two are the traditional areas of international assistance in population—the dominant concerns, for example, of the major donor agencies in the field such as the U.N. Fund for Population Activities, the U.S. Agency for International Development, and the World Bank. However, there is also a third area, in its own way perhaps as important as these. It is the development and transmission of relevant research and analysis: interpretations of the accumulated lessons of historical and contemporary experience, proven techniques of demographic and policy analysis, and appreciations of the ways that particular institutional settings influence program performance. It is at least arguable that this third area promises the highest returns for an international contribution to the resolution of the population problem in today's high-fertility countries.

IX

Let me return in closing to the issue of urgency that I emphasized at the outset. The fuzziness of policy instruments and the delay in obtaining results have dulled the sense of urgency that the population problem generated 20, or even ten, years ago. Elsewhere, the evident signs of progress in many places have instilled a self-congratulatory mood, likely to be much in evidence at the Mexico conference this August. If permitted to prevail, both these unrealistic attitudes will weaken national population efforts and undercut international support for them.

The demographic penalties for procrastination and delay are inexorable. For example, if Nigeria were to begin to introduce now those policies which would permit it to achieve replacement level fertility by the year 2000—instead of in the year 2040, as is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

projected in Table III—its population would level off at about 227 million instead of 600 million. Similarly, were Bangladesh and Kenya to reach replacement level fertility in 2000, these populations would ultimately stabilize at 200 million and 54 million, respectively, instead of the 412 million and 153 million projected in Table III.

Thus, immediate and much more effective action to bring about declines in fertility levels—by encouraging the desire for smaller families and providing the means to implement that desire—would make an enormous and decisive difference. Policy decisions today must be seen in terms of a choice between a difficult but barely tolerable national and global population status and one that is intolerable in terms of human welfare and world peace.

In the end, population growth in most countries will surely be halted substantially below the levels shown in Table III. That will happen either because of humane and voluntary measures taken now, or because of the old Malthusian checks. Or perhaps even more likely, in tomorrow's world, it will occur as a result of coercive government sanctions and the recourse by desperate parents to both frequent abortion and clandestine infanticide.

For the great majority of mankind still experiencing high rates of population growth, action now to initiate, or to accelerate, fertility decline is imperative.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Robert A. D. Ford

THE SOVIET UNION: THE NEXT DECADE

Crucial to any analysis of relations between the West and the Soviet Union is a realistic concept of what kind of country, what kind of society and above all what kind of leadership we are going to have to deal with in the next decade.

Shortly after Yuri Andropov became General Secretary of the Communist Party of the Soviet Union (CPSU), several points seemed clear. First, the old guard had opted for one of their own. Second, they had rejected the idea of a continuation of the immobilism of Leonid Brezhnev. Third, it had almost inevitably to be a transitional regime. The latter judgment was based on known facts about the health of 69-year-old Andropov (in 1978 he had disappeared from the Moscow scene for a prolonged period and knowledgeable Russians admitted he had a health problem), and the nature of his power base. He had been absent too long from the Secretariat to be able to build quickly the network of personal support in the Party which he required to supplement the backing he had from the police apparatus and that which he had been offered by the military.

Andropov was therefore missing the strong, Party-based political structure needed to establish personal predominance. It took Nikita Khrushchev and Brezhnev each at least five years to construct a solid power base and in each case they started with strength in the Party apparatus, good health and relative youth (relative by the standards of Soviet leaders). Andropov, even if his health had not collapsed, could scarcely have counted on more than a few years of probably limited power. The fact that he assumed the presidency was largely irrelevant. Neither Lenin, Stalin nor Khrushchev bothered about this largely ceremonial job. When Stalin and Khrushchev wanted more power they added the prime ministership to the key post of General Secretary of the Party. Brezhnev was not interested in that particular form of personal power since he had already created an elaborate system within the hierarchy which

---

Robert A.D. Ford served as a diplomat in the U.S.S.R. for more than 20 years, including 1946–1947 and 1951–1954; from 1964 to 1980 he was Canadian Ambassador to the Soviet Union. Since leaving Moscow, the author has been Special Adviser on East-West Relations to the Canadian Government and a member of the Palme Commission.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

assured his ascendency. Assuming the position of Head of State was a means of assuaging his great personal vanity. When Andropov did the same it did not mean a great increase in his power. It probably did represent, however, a means of getting around the awkward fact that the key man in the U.S.S.R. had no official state function. This clearly bothered both Khrushchev and Brezhnev in their dealings with heads of state or government. What did matter was Andropov's assumption of the post of Chairman of the Defense Council, which further increased his reliance on the military for political support.[1]

II

Even if Andropov's reign had not been cut short by his malady and death, I doubt he would have been able to alter things very much. In spite of frantic and only partially successful efforts to replace old and incompetent Brezhnev cronies with younger men, both at the source of power in Moscow and in the provinces, his political strength was too limited, and his excessive reliance on the military and the police aroused instinctive counter-reactions in the Party apparatus.

The extent to which the Party hierarchy and its supporting bodies, perhaps 100,000 well-entrenched senior functionaries, are impervious to change is clearly visible from the rules of Khrushchev, Brezhnev and Andropov. Khrushchev's reforms were tolerated until he began to tinker with the structure of the Party and introduced changes that would inevitably have reduced the power of the thousands of small Party bosses all over the country. Brezhnev's first act was to reverse this trend and to reassure the Party hacks that their jobs, their influence and their perquisites would not be touched. Later, after slowly and painstakingly placing his own men in the Politburo, the Secretariat and the Central Committee, he developed a system by which he became indispensable. He drew the members of the hierarchy into a net around him, which assured their positions and made any conceivable effort to oust him unlikely, and the older they got the less inclined they were to covet the supreme position itself. The system began to unwind with the deaths of Alexei Kosygin and Mikhail Suslov, both much more intellectually able than Brezhnev and on whom he relied for economic, administrative and ideological advice. But for several years this collective system continued to work, in spite of Brezhnev's

[1] The Defense Council is referred to in public documents, but its exact composition is not clear. Apparently it is chaired by the General Secretary; thus Chernenko has probably succeeded to this position.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

crippling illness and the lesser capability of his remaining associates, because no one wanted to face up to the uncertainties of a new leadership.

The same happened with the illness of Andropov. It is clear he was physically incapacitated from the summer of 1983 on. Misinformation about his health was nevertheless widely circulated by Soviet propagandists, often in the most convincing manner: "I can assure you that the Secretary-General will be back at work shortly and personally conduct his campaign for re-election to the Supreme Soviet" as one official told me in mid-January—a typical example of *vranye*, the special Russian form of mendacity. The overwhelming desire not to rock the boat prevented his associates from retiring him when he fell terminally ill and, when he died, assured that the succession fell to a man who represented continuity. This concept of continuity must not be underestimated. When I once asked a senior member of the Central Committee why Arvid Pelshe, then 83, was still a member of the Politburo, he looked at me in obvious surprise: "Why he is the only one who knew Lenin." This says all about the striving for legitimacy.

In any event we now have a second transitional regime in the form of Konstantin Chernenko, and what is likely to be the third collective government. That it is transitional is an obvious fact based on his age and that of the people in the hierarchy who support him. Collective leadership is in any case a practical necessity in a system in which power, while concentrated in the hands of a few people, is virtually doomed to be shared—unless a very powerful personality appears. But recollections of the excesses of Stalin and Khrushchev make the hierarchy suspicious of any drift toward the "cult of personality" unless, as in the case of Brezhnev, this proves to be largely cosmetic.

There is no point in trying to guess when or how the transitional regime will come to an end or who will be the eventual successor. The reluctance to change leaders, evident during Lenin's long illness, the five years of Brezhnev's semi-invalid state, and the eight or nine months of Andropov's incapacitation, indicates the possibility that the Chernenko era may last longer than some anticipate. But no matter what its length, it will be the final leadership of his generation. It is more important now to try to establish what kind of people the next generation will be, what kind of internal problems they will face, what their view of the outside world is, and far from last, how ideologically motivated they are.

In the interim period it seems likely that the immobilism of the late Brezhnev era will be repeated, but in a less dangerous form.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Unfortunately for the U.S.S.R., Andropov's health failed before he had a chance to exert his influence, and at one of the more tense moments in relations with the West. Under more favorable circumstances he might have been able to utilize his formidable intellectual capacities in pursuit of internal economic changes and a lowering of tensions with the West. As it was, he and his associates were frozen into a situation from which escape was possible only if a strong man could exert his will. Given the collective nature of the Soviet leadership, without firm, or at any rate, original direction from the top, and the inflated influence of the military, the tendency will be to lumber down the path charted by Brezhnev.

III

It is not very difficult in the Soviet Union's authoritarian society to rally the ruling class, and indeed the bulk of the population, around the leadership in a "fortress Russia" mentality. This comes naturally to the Russians, although in the recent past it has been easier to rally them against an easily perceived danger—the Nazis, and then the thought of losing their East European glacis on the one hand and of the Chinese menace on the other—than against a threat from distant America. In Moscow in 1951 Stalin quickly dropped a campaign to portray the United States as preparing to attack the U.S.S.R. when it was discovered that far from arousing the righteous patriotic wrath of the populace against the Americans, it had simply horrified and baffled them. Perhaps "American imperialism" is a more popular theme now than it was 30 years ago. I am not entirely convinced. Where it can be effective, however, is within the Party hierarchy and among all the thousands of middle-level functionaries who are no doubt persuaded that an ideological-military threat to the system exists. Among them in the short run it is possible to create a siege mentality reinforced by the feeling that they as Russians are being isolated and humiliated, and as a superpower, ignored. The fact that this would be largely of their own making is irrelevant.

There are, however, many highly intelligent and well-informed Soviets who cannot be happy with such a trend. When the occasion presents itself—after the clarification of the American political scene on the one hand, and of the Soviet leadership situation on the other—I am sure there will be an effort to remedy the present state of tension. And Chernenko himself is in a better position to do so than Andropov. He can alter course without losing face, and he is personally more committed to détente than his predecessor. He may not, however, wish to proceed very far down this path, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

there are certainly many restraints on his doing so. We should therefore be prepared to survive or, as the expressive Russian word has it, *perezhit'*—to live through—this waiting period and prepare for life with the next generation.

Except for a few who have been in the public eye, such as Grigory Romanov, Geydar Aliyev and Mikhail Gorbachev, the next set of leaders is relatively unknown.[2] But we can make a composite portrait. They will be Russian or Russianized Ukrainians with a few token representatives from the smaller ethnic groups. Russian nationalism and a more sophisticated consciousness of their Russian past will be dominant features of their makeup. They will have a quite different background from any of their predecessors. The first generation of Communist leaders were middle-class intellectuals: Russian, Jewish, Armenian, Georgian. The next generation after Stalin was typified by Khrushchev, the peasant come to power, partly through the liquidation by Stalin of his cosmopolitan associates. The Brezhnev generation was the true benefactor of the purges of the 1930s, mostly anti-intellectual, quickly and often sloppily educated in technical schools, owing its rapid career advancement to the CPSU.

The Brezhnev generation is now fading away and taking its place will be the first group of leaders who experienced neither the Revolution, the Civil War, nor World War II, except perhaps as children. They will have by and large an urban background with university education and a much greater knowledge of the complexities of modern society. In 1971 Kosygin, then Chairman of the Council of Ministers, alluding to Khrushchev's boast that the U.S.S.R. would overtake the United States by 1970, told me rather wistfully that they had caught up in terms of brute production, but that they had never foreseen the electronics revolution. The new leaders will be perfectly aware of the importance of the new technology, not only in armaments but increasingly in civilian industry. And they will be far better informed about the outside world, even though they may not have traveled very much more than Khrushchev and Brezhnev and their colleagues had when they assumed command.

It would be a great mistake, however, to think that they will differ greatly from their predecessors in two very important respects: their strong nationalism and occasionally arrogant pride in

[2] Romanov was born in 1923; he was the First Secretary of the Leningrad Party, and is now in the Secretariat in Moscow; Aliyev was born in 1923 and is now First Deputy Premier, having served as First Secretary in Azerbaijan. Gorbachev is 53; he is thought to be the "number two" man after Chernenko; he has been a member of the Secretariat since 1978 and of the Politburo since 1980.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Russia and the accomplishments of the past 60–70 years, and their belief in the vital role of the Party and ideology.

IV

From 1918 on, the Soviet leaders have seldom hesitated in choosing a pragmatic course over the rigid application of ideology, and there is ample justification in Lenin's writing for doing so. There is no reason to believe the next set of leaders will be any less pragmatic in either foreign or domestic affairs. Yet it must be realized that all of them will have come up through the Party apparatus, possibly having spent some time in the practical administration of large industrial or agricultural enterprises, but all deeply in debt to the Party for their promotion to the good life and for the perquisites, influence and power which put the members of the *nomenklatura* in a new and highly privileged class.[3] Their prime aim will be to maintain and consolidate this gratifying situation.

In a society which inevitably is becoming more aware of the changes in the world, the Soviet economy, if not reformed, will have greater and greater difficulty in meeting the reasonable expectations of the population for an improvement in the standard of living at least comparable to that of the despised Poles or Czechs. Further, the growing contrast between the life of the Communist privileged class and that of the average Soviet will become harder to defend. To do so requires Communist ideology.

Although we hear less of the Dictatorship of the Proletariat these days, it still remains the basic raison d'être for the seizure and retention of power. The police and security system is strong and all-pervasive and the Russians as a whole are tolerant of authority; it is hard to imagine that the Central Committee members lie awake at night thinking of ways to justify why power has to be invested solely in the Party. But there is behind the facade of unity a constant striving to reestablish the leadership's communist credentials, and a need in a dangerous and anti-communist world to rally round the legitimate rulers.

There is no reason to think that the next leaders will think differently. Indeed, they will feel insecure until one of them emerges as a strong leader, or until a Brezhnev-type consensus rule evolves. Therefore, reliance on ideology to justify their *pouvoir confisqué*, as Hélène Carrère d'Encausse aptly describes it, will remain vitally important.[4]

[3] *Nomenklatura* is generally meant to include the Party elite, those who have defined positions; their number is estimated at about 40,000 for the Central Committee.

[4] Hélène Carrère d'Encausse, *Confiscated Power*, New York: Harper and Row, 1982.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is their dependence on communist legitimacy which in the past two decades has made it impossible for Soviet leaders to introduce even minor reforms in the economy. Brezhnev and Kosygin tried in a very timid way to apply the Lieberman reforms in a few factories in 1965 but gave them up almost immediately, and dropped all idea of reform after the Czechoslovak experiment in 1968. Indeed, alarm at the Czech Party's introduction of economic reforms and at the subsequent demands for political innovations was one of the major reasons for the Soviet decision to crush the Czech experiment in "liberal" communism. The developments in Poland over the past three years can only have reinforced the Soviet belief that any major tampering with the economic system carries great political risks.

The dilemma is and will remain enormous. The highly centralized system which was effective in creating a heavy-industry base is totally incapable of dealing with the complexities of a sophisticated consumer society. It has proved increasingly unable to exploit economically the vast agricultural resources of the country and to arrange their distribution to the consumer; it has failed to create the incentives necessary to make up for a falling birthrate, a decreasing labor force and declining productivity. Unless these and many other problems can be solved, the regime faces the danger of a weakening of the simple formula by which it has kept the population more or less satisfied during the last decades—that is, a small but visible increase in the standard of living. Since most Russians had only one point of comparison—the situation five, ten, or twenty years before—this proved effective up to about 1978. About that time the visible signs of improvement disappeared and in many categories of consumer goods actually declined. The Soviets are perfectly capable of controlling unrest or grumbling but they would prefer to have to deal with a population that is satisfied with its material lot.

Most knowledgeable Soviet officials are aware of the problems, are aware also that the Soviet economic performance appeals less and less to the outside world, and are in fact ashamed by the vast gap between their standard of living and that of the West. But the only way in which the problems can be met is by thoroughgoing economic reform and the introduction of many elements of a market economy. At this point they realize that control would slip from the hands of the central authorities, and the power and influence of the local Party bosses would be dangerously weakened.

Thus, there would be two important obstacles to any serious reform of the Soviet economy: the immense power of the middle-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

level and provincial Party officials to resist change, and strong doubts on the part of the Party leaders about the ideological and political consequences of effective reform. As Chernenko put it in a report to the Central Committee in June 1983: "There are some truths which are not subject to revision, problems that have been solved long ago and unequivocally."

Thus even with the greatest will in the world and unanimous support, it is not very likely that the Soviet system will change in the coming decade. There will be tinkering with it, which is what Andropov was doing, but it will take another Khrushchev, convinced of the need for change and solidly based politically, to undertake reform. The prospects therefore are for at least another decade of lumbering along, a huge and powerful economy but vastly inefficient, out of balance, with the standard of living stagnating and the contrast with the West, and even the more advanced countries of the East European bloc, becoming more humiliatingly obvious.

V

On the social side the slowly accumulating problems of decline in the proportion of Russians and Slavs to Central Asians and Caucasians will be a preoccupation but not a major problem. That will come in two or three decades when the Central Asians, particularly, will constitute a considerable portion of the population and will be increasingly aware of their special identity. This is the lesson of Ayatollah Khomeini and Afghanistan. Until 1978 the Central Asians seemed to have accepted the idea that they were Soviet citizens who spoke Uzbek or Tadzhik, etc. But the Islamic revolution in Iran and the anti-Soviet resistance in Afghanistan made them realize that there was more to it than that, not religion necessarily, but an Islamic identity spilling across frontiers.

There is a strong feeling of racism in most Russians, evident in the recurrent manifestations of anti-Semitism, to which, however, it is not confined. Dislike, even hatred of Asians, a not surprising legacy of the Mongol conquests, became startlingly evident during the Ussuri River clashes with the Chinese in 1969, an extraordinary outburst of Russian patriotism that led to many demonstrations of anti-Asian feeling directed against Central Asians. In the years to come, major preoccupations of the Russians will be the population explosion in Central Asia, the continuing effort to subdue the Afghans, many of whom are related to the neighboring Tadzhiks and Kirghiz in the U.S.S.R., and the growth of China as a political

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and economic power. It is a combination which makes U.S. worries about Mexico and Central America seem child's play.

If the Soviets are unable to solve their economic, ethnic and social problems, there will be a tendency to rely, as at present, on military strength to exert their claims to superpower status. And this will in turn compound the economic and ethnic problems. Even now it is impossible to increase the standard of living, indeed difficult to prevent its decrease, with the present percentage of the gross national product going to the military sector. Any increase in the military budget, which is almost inevitable if the arms race is truly engaged in the next generation of sophisticated weaponry, is bound to depress the civilian economy, barring a major reform of the latter. And this in turn adds to the imbalance in the economy, and to reliance on military strength in foreign affairs.

But dependence on the armed forces is complicated by two additional factors: the reluctance of the Party leaders to become excessively obligated to the military, and problems created by the need to make up for a declining Russian population by recruiting into the armed forces the national minorities, particularly the Central Asians. Neither prospect is very alluring to the Kremlin.

Increasing reliance on its military power to reinforce policy aims does not necessarily mean the actual use of such power. Indeed the Soviet leaders must be as frustrated over the inability to use their nuclear force to subdue Afghan nationalists as, for example, American leaders were in Vietnam. But the conclusion that the Soviets would be tempted to distract the attention of their people from domestic shortcomings by a more aggressive foreign policy, or a military adventure, is misplaced. They are perfectly capable of handling internal problems and are unlikely to need such stratagems. On the contrary, given a collective leadership, from which a strong man would emerge only slowly, if at all, the consensus would probably be in favor of caution, except in areas where they considered their vital security interests affected, when the existence of great military strength would be a useful adjunct to policy.

While pragmatism is a major element in Soviet foreign policy, and likely to remain so, there is an ideological aspect of relations with the West that is often overlooked, that of peaceful coexistence; it should not be confused with détente, which was simply an accelerated form of it. Peaceful coexistence has been part of Soviet doctrine from the early days of Lenin's leadership, and was made a more active part by Khrushchev. The last effective world conference of Communist Parties, in 1960, defined peaceful coexistence as: "a form of class struggle between socialism and capital-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ism. . . .This does not imply a reconciliation between the socialist and bourgeois ideologies. . . .It implies the intensification of the struggle."

The fact that détente excludes the ideological struggle is important. In 1972 Brezhnev categorically stated that the struggle for peaceful coexistence "in no way implies the possibility of relaxing the ideological struggle. On the contrary we must be prepared for this struggle to be intensified and becoming an *even sharper form of the confrontation between the two systems.*" To make the position perfectly clear the Soviet Constitution of 1977 stated in Article 24 that it is the duty of the Soviet government "to consolidate the situation of world socialism, by supporting the struggles of the peoples for national liberation and social progress."

The Soviets never concealed what they meant by peaceful coexistence and must have been delighted if not somewhat mystified when President Nixon and Mr. Kissinger accepted the use of the phrase in the official American-Soviet documents signed in Moscow in 1972. Indeed it is baffling that this was done. The Canadian prime minister, Pierre Trudeau, the year before, politely rejected its inclusion in the Canadian-Soviet declarations. It is just possible that the Soviets misunderstood the Nixon gesture and felt the agreements signed in the Kremlin gave them freedom of action to support "national liberation movements" in Angola, Ethiopia and Mozambique.

Since there are few areas of foreign affairs where the Soviet leaders have the opportunity to prove their all-important communist credentials, support for these so-called liberation movements is very important. It will continue to be an essential element in Soviet foreign policy in the sense that it provides an ideological cover for support of anti-Western movements in the Third World, which will become increasingly difficult to define logically as anticolonialist revolts. But there is at the same time a high degree of realism among Soviet leaders, and they will do nothing intentionally that would endanger Soviet security. Hence, support for pro-Soviet movements will be carefully calculated to avoid a direct confrontation with the United States, particularly in areas of vital importance to the latter. Nor will they likely be inclined to aid movements requiring excessive financial and economic outlays. One Cuba is enough!

We must expect, therefore, that the ideological and, of course, political-strategic imperatives to support revolutionary movements wherever feasible will remain an essential part of any Soviet leadership. Equally, any idea of a convergence of the two systems will

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

continue to be anathema. This was sharply rejected by Moscow when it was first advanced in Western university circles in the optimistic days of the late 1950s, and it remains a dirty word in the Soviet vocabulary as it implies an erosion of the ideological struggle. There must be no illusions on this score. The nature of East-West relations cannot be based on the hope of friendly cooperation because the Soviet system rejects it. This does not necessarily imply a relationship of hostility or confrontation, certainly not military confrontation, but inevitably one of antagonism, the intensity of which will vary according to a number of factors, largely of Soviet making. It would be foolish to think otherwise. There must be a working relationship with the U.S.S.R., but it will be dangerous and fragile unless it is built on a realistic basis.

VI

Even with the best will in the world, which is by no means guaranteed, a number of obstacles to better relations exist and are unlikely to disappear in the near future. In simplified form these obstacles are:

—The activities of the KGB and the GRU (military intelligence and security) which often surface at the most delicate moments in relations between the U.S.S.R. and Western countries.

—The continuing disregard of elemental human rights in the U.S.S.R. and the suppression of any form of dissent, political, nationalist or religious.

—A military buildup in the U.S.S.R. that will appear to the outside world as far bigger than reasonable defense requires.

—The increasing difficulty of maintaining conformity in Eastern Europe and the possibility of new demonstrations of unrest in Poland and other countries of the bloc, which cannot but affect the populations and governments of the Western World.

—The U.S.S.R.'s inability to finish off the Afghan nationalists and to incorporate Afghanistan into the Soviet system à la Mongolia. (It took the Soviets until the late 1930s to end the Muslim resistance to their rule in Central Asia.)

—Some unexpected brutal act such as the shooting down of the Korean airliner.

—The Soviet fixation with the "correlation of forces," which they see as constantly fluctuating and which, according to Marxist-Leninist theory, must move inexorably in favor of communism. The idea of status quo, for example, while acceptable as a temporary tactic, is rejected as a goal of Soviet policy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

These are only the most obvious obstacles in the search for a more solid relationship between the U.S.S.R. and the West. While not willing to admit that these problems exist, the Soviets are perfectly aware of them, though they must have their own list of "obstacles." Since they are far from blind to the fundamental fact that both superpowers have an interest in common security, when circumstances permit I think they will want to reshape their relations with the United States, never losing sight, of course, of their own set of goals.

The problem will lie in the fact that the newer generation will confront a situation in which the economy, while still powerful, will be progressing only very slowly and incapable of increasing the standard or quality of life. At the same time the gap between the average Russian and the privileged new class will be greater and, more important, more obvious. And the Russian population will begin to decline at a rate at least as fast as that of West Germany and France, while the number of non-Russians, particularly of Asians, will be growing rapidly.

The new leaders are too intelligent and informed to have any illusions about bridging the technological gulf between the U.S.S.R. and the West and Japan or of doing much more than holding their own in the arms race. At the same time the specter of a more stable China gradually modernizing its economy with U.S. and Japanese help will be a continuing nightmare. Finally, they must face the problems created by the failure of their ideology: the near collapse of the Communist Party in Poland and the need to ensure its de facto rule by a military dictatorship on the one hand, and their inability to make the bulk of the Afghan population accept communism on the other. The West pays little attention to this phenomenon, but it is an important fact in Soviet calculations.

VII

No one can foresee how the new generation of leaders will react to this concatenation of unfavorable circumstances. Perhaps out of the almost anonymous group of younger leaders an exceptional person will emerge, but the chances are that through the Chernenko era and the first five years or so of his successor's a form of collegial government will exist, the tendency of which will be to develop policies slowly and continuously and, provided the West moves with equal caution and firmness, move back toward a mutually necessary and equally desirable form of cohabitation.

But the younger men are prickly, tough, able and determined to advance Russian national interests and to defend their Marxist-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Leninist doctrines. They will insist on being treated by the United States as an equal superpower, and their military strength will give them reason to do so. But they will demand political equality as well, an equality they thought they had achieved through the series of American-Soviet documents in 1972–75 and which they passionately believe was later denied them unjustly.

The era of détente was not exactly all wrong. Our perception of it has been obscured by excessive euphoria on both sides, a failure in the West to appreciate the real Soviet meaning of "peaceful coexistence," and the Vietnam-Watergate syndrome, as well as by a number of Soviet actions that clearly ran counter to what seemed in the West the spirit and intent of détente.

We cannot change the Soviet system, seriously damage their economy, alter their attitude toward human rights, weaken their hold on Eastern Europe, Mongolia or Afghanistan, or indeed change the rough military balance between the United States and the U.S.S.R. There is no hope of convergence of the two systems, nor of enmeshing the Soviets in a web of self-interests.

But there is hope that a new generation, if accepted as political equals by the West and above all by the United States, if convinced that the aim of the latter is cohabitation rather than destruction of the Soviet system, and increasingly preoccuppied by their enormous social and economic problems, will be prepared to return to a more reasonable relationship with the West. They will not make it easy to do so, and an almost excessive amount of patience will be required. But I think it can be done.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Harold Brown Lynn E. Davis

NUCLEAR ARMS CONTROL: WHERE DO WE STAND?

Negotiations between the United States and the Soviet Union on nuclear arms control are at an impasse. Following the deployment in Europe of the first U.S. Pershing II and cruise missiles in the fall of 1983, the Soviet Union walked out of the negotiations on intermediate-range forces (INF) and refused to agree to a resumption date for the negotiations on strategic nuclear forces (START). Whether and under what conditions the negotiations will resume is uncertain.

Both the United States and the Soviet Union indicate that they are abiding by the unratified SALT II treaty, but that treaty will expire at the end of 1985. The Reagan Administration has been unwilling to say that it would then continue to observe the SALT II limits, as it is currently doing for the expired SALT I agreement on offensive forces. In both the START and INF negotiations, the approaches embodied in the U.S. and Soviet proposals differ fundamentally. And within the United States, the arms control debate—on the freeze, the build-down, deep reductions—has polarized rather than reconciled differences. Congressional support for new strategic programs, including the MX, has been conditioned on a serious arms control effort. Political figures have sought to achieve public and legislative consensus by combining as many of the various arms control proposals as possible.

The hiatus in the negotiations provides an opportunity to step back and reconsider the overall utility of nuclear arms control and the objectives the United States should seek in negotiations with the Soviet Union.

The prospective utility of arms control is reflected in the many objectives that agreements can be designed to serve. They can

---

Harold Brown, currently Distinguished Visiting Professor at the School of Advanced International Studies of Johns Hopkins University, was Secretary of Defense from 1977 to 1981. He had previously held other senior positions in the Pentagon from 1961 to 1969 and was a member of the U.S. delegation for the SALT I and SALT II negotiations between 1969 and 1977. Lynn E. Davis is Professor of Military Strategy at the National War College; she was Deputy Assistant Secretary of Defense for Policy Plans, 1977–81. The views in this paper are those of the authors and do not imply endorsement by the U.S. Department of Defense or the National War College.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

provide greater confidence as to the future characteristics and size of the nuclear force postures of each side than would exist in the absence of any agreements. They can reduce the number of nuclear weapons, to decrease both the cost of maintaining a nuclear balance and the reliance of governments on nuclear weapons in their foreign and defense policies. They can constrain modernization, either overall or of the most destabilizing kinds of threats, e.g., accurate intercontinental ballistic missiles (ICBMs), which can destroy missile silos in a preemptive strike. They can improve crisis stability by reducing the vulnerability of each side's nuclear forces. By moderating the competition, they can both reassure Western publics and reduce the degree to which each side's buildup becomes an independent source of tension.

It is important to understand, however, that an agreement will probably not achieve all these aims, let alone the more sweeping goals—such as ending the risk of nuclear war—that have often been promised by advocates of various arms control proposals. Negotiations with the Soviet Union cannot be expected to produce in the forseeable future nuclear force postures with fewer than many thousands of nuclear weapons. Nuclear war will still be possible and its catastrophic consequences will not be changed. Moreover, negotiations would have to produce fairly significant reductions or limits on new weapons to arrest the drift toward more vulnerable nuclear forces and toward greater instabilities as a consequence of the introduction of new technologies. These technologies mean that new systems will have improved counterforce or hard-target kill capability. The side that uses nuclear weapons first will have some advantages in the forces that survive. The instabilities should not, however, be exaggerated. Deterrence is maintained by the fact that each side will have a retaliatory capability to inflict massive devastation against military as well as urban/industrial targets. A general thermonuclear exchange would destroy both sides.

It also remains difficult to design arms control proposals that appear to be equitable. The strategic nuclear forces of the United States and the Soviet Union differ both in size and in their characteristics. Their modernization programs are at different stages. And as a general rule in proposals designed to achieve equal ceilings, the Soviet Union would be required to make larger reductions than the United States.

This article reviews the current U.S. and Soviet approaches to nuclear arms control as well as several alternatives. It notes the various criticisms of these and then develops another approach. It concludes by defining the considerations that should guide the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

design of a U.S. negotiating proposal for both strategic nuclear forces and "gray area" systems.[1]

II

In the absence of any arms control agreement, the United States and the Soviet Union would be expected to deploy new land- and sea-based missiles, to modernize their bombers, and to introduce long-range cruise missiles. The resulting balance in 1990 would show each side with approximately 15,000 strategic nuclear weapons, or about 5,000 more than today. The Soviet Union would increase its advantage in missile throw-weight, while the United States would continue to lead in total strategic nuclear warheads as well as in warheads carried on SLBMs (submarine-launched ballistic missiles) and in bomber weapons. Each side would have sufficient missile warheads to threaten the other side's ICBMs, even in a mobile or some other alternative basing mode.[2]

The SALT II treaty of 1979 placed limits through 1985 on the number of strategic nuclear delivery vehicles (2,250), of MIRVed missiles (those with multiple independent warheads), plus bombers with cruise missiles (1,320), of MIRVed land- and sea-based missiles (1,200), and of MIRVed land-based missiles (820). In the absence of ratification, the Soviet Union has not, however, met the schedule of reductions to 2,250. Both sides are also limited to only one new ICBM. The United States has raised questions about whether Soviet testing of two ICBMs, the SS-X-24 and SS-X-25, is a violation.[3]

[1] The reader will find the detailed analysis supporting the conclusions in this article in "Nuclear Arms Control Choices," *SAIS Papers in International Affairs*, Boulder (Colo.): Westview Press/Foreign Policy Institute, 1984. In that paper, the authors project the balance of U.S. and Soviet strategic and intermediate-range nuclear forces for 1990, define illustrative nuclear force postures in 1990 for the various arms control proposals in the current debate, and analyze the resulting Soviet-American nuclear balances in terms of the commonly accepted static indicators: missiles and bombers; missile warheads and bomber weapons; and missile throw-weight.

[2] In the discussion which follows, the ABM Treaty of 1972 is assumed to remain in effect through the 1980s. By that Treaty, arms control demonstrated that it can play a major role in preserving each side's retaliatory capability and, thus, stability through mutual deterrence. President Reagan proposed in March 1983 to pursue development of an extensive strategic defensive system, for the purpose of replacing the threat of nuclear retaliation with an effective active defense as the basis for deterrence. To deploy such a system would require major amendment or abrogation of the ABM Treaty and an entirely different approach to the control of offensive nuclear weapons.

[3] This article will not address verification issues. For any potential agreement, there will need to be a detailed exchange of information on the nuclear forces of both sides, extensive counting rules, and specific definitions. For some types of limits, rather intrusive inspection measures will also be required. The United States will also need to be satisfied that the Soviet Union has complied with previous SALT treaties. In the case of the recent Soviet ICBM tests, the Soviet Union has declared that the SS-X-24 is the one "new ICBM" permitted by the treaty. It has multiple warheads and is in the same throw-weight class as the SS-19 missile. The SS-X-25 is small and presumably has one single warhead. The issue then is whether it qualifies as a modification of a missile already in the Soviet inventory or whether it, too, is a "new ICBM." For a discussion of Soviet compliance with existing arms control agreements, see U.S. Arms Control and Disarmament Agency, *Arms Control*, Washington, 1984, pp. 10–12.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

One approach to nuclear arms control would be simply to extend the SALT II treaty beyond 1985—or to modify the treaty by establishing new ceilings as the Soviet Union has proposed. Its current START proposal calls for a reduction to 1,800 strategic nuclear delivery vehicles as well as a reduction in each of the SALT II subceilings: to 1,200 for MIRVed missiles plus bombers with cruise missiles; to 1,080 for MIRVed missiles; and to 680 for land-based MIRVed missiles. It would also ban sea-launched cruise missiles (SLCM) with a range greater than 600 km.

The objectives of extending or modifying the SALT II agreement would be as in past negotiations: to place some constraints on the buildup of strategic nuclear forces on both sides; to achieve modest reductions; to introduce some degree of predictability into the calculations about future capabilities; and to deny certain kinds of modernization, especially in destabilizing weapons.

An extension of SALT II beyond 1985, or adoption of the Soviet START proposal, would permit the United States and the Soviet Union to maintain strategic nuclear forces similar to those they have today, with the Soviet Union emphasizing land-based ICBMs and the United States a more balanced triad of ICBMs, SLBMs, and bombers. Each side would be able to introduce its planned modernization program to 1990 as currently projected. For the United States this would include the MX missile, the Trident submarine and Trident II missile, and the B-1 bomber. The Soviet Union would be able to modernize its ICBMs, SLBMs, and bombers while retaining its SS-18 heavy missiles and its SS-19 missiles.

Each side would, however, be required to reduce some of its existing strategic nuclear forces to pursue its planned modernization and still meet the various ceilings. The United States would have to dismantle perhaps one-third of its Minuteman II and MIRVed Minuteman III ICBMs. The Soviet Union, under its own proposal, would have to retire about one-half its present number of single-warhead ICBMs and SLBMs and bombers, and some of its MIRVed ICBMs.

In this approach, the overall number of strategic nuclear weapons on each side in 1990 would be larger than today. The United States would have over 14,000, and the Soviet Union about 11,000.[4] The Soviet Union would retain a substantial advantage in ICBM missile warheads and throw-weight. The United States would still lead in SLBM warheads and in bomber weapons. Given the number of

[4] The Soviet proposal also calls for unspecified limits on the aggregate number of nuclear weapons. This may be intended to forestall the U.S. lead in overall weapons. For a description of the Soviet START proposal, see *The New York Times*, July 14, 1983, and *Arms Control*, *op. cit*, p. 7.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

missiles that would be permitted and the projected improvements in their accuracies, the force postures on each side would become more vulnerable. The task of reducing ICBM vulnerability through rebasing would also be quite difficult.

It is understandable that extension or modification of the SALT II treaty is attractive to the Soviet Union, as it protects the planned Soviet strategic nuclear modernization program. It does not require changes in the characteristics of the Soviet strategic force posture. And it calls for only minimal reductions in older systems.

While this approach would produce some reductions and would protect the planned U.S. strategic modernization program, it would be vulnerable to the same criticisms in the United States as those directed in the past against the SALT II treaty: that it fails to constrain the nuclear arms buildup and leaves the Soviet Union with advantages in missile throw-weight. Moreover, it would do little in the future to reduce the instabilities and vulnerabilities caused by each side's ability to introduce new and more accurate nuclear weapons.

III

The Reagan Administration has adopted a very different arms control approach. It has been particularly concerned with the instabilities created by land-based missiles with multiple warheads and by what it sees as disparities in the destructive capability of the nuclear forces on each side. The current U.S. START proposal calls for a reduction in the number of ICBM and SLBM warheads from current levels of over 8,000 to a ceiling of 5,000. It seeks to redress the Soviet advantage in missile throw-weight through limits on medium and heavy missiles, i.e., the Soviet SS-17, SS-18 and SS-19. It calls for a ceiling on the number of bombers at planned U.S. levels, or 400, and includes the Soviet Backfire bomber. It places no constraints on sea-launched cruise missiles.[5]

This U.S. START proposal would require a major restructuring and reduction in the Soviet strategic nuclear force posture, while permitting the United States to pursue its current modernization plans. With the number of missile warheads limited to 5,000, both sides should be able through rebasing to deploy survivable ICBMs. Under its proposal, the United States would have to retire its Minuteman II missiles as well as some combination of about 800

[5] The initial U.S. START proposal also called for subceilings of 850 on missile launchers, of 2,500 warheads on land-based missiles, of 210 medium and heavy missiles, and of 110 heavy missiles. To meet these ceilings, the Soviet Union would have had to reduce by two-thirds its present SS-18 and SS-19 ICBM force. Subsequently, the United States stated that the various subceilings were negotiable and invited Soviet suggestions as to alternative ways of dealing with missile throw-weight. *Arms Control*, *op. cit.*, pp. 3–8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Minuteman III and Poseidon missiles. While such reductions would be significant, they would come largely from highly vulnerable and aging ICBMs.

The Soviet Union, by contrast, would be required to make much greater reductions and would face some fairly difficult choices. One way it could meet in 1990 the overall warhead ceiling of 5,000 warheads would be to reduce approximately 1,000 of its 1,400 current land-based missiles, including all of its single-warhead ICBMs; dismantle all of its single-warhead sea-based missiles; and deploy substantially less than its planned number of sea-based missiles with multiple warheads. The bomber ceiling would require the Soviet Union to retire its Bear and Bison bombers and trade away Backfire bombers for a new bomber with cruise missiles. The Soviet Union is not likely to agree to so radical a restructuring of its strategic nuclear forces.

IV

Critics of the U.S. and Soviet negotiating approaches in START have introduced a number of alternative arms control proposals, including the nuclear freeze, a build-down of nuclear forces, and movement to single-warhead missiles.[6] These proposals tend to seek specific as well as substantial arms control objectives. As in the case of the U.S. START proposal, each of these would have the effect of producing major changes in the planned nuclear force postures of one or both sides.

The alternative proposal that has won the most public support is the *freeze*. Supporters of the freeze see modernization as the main problem. The freeze would ban the testing, production, and deployment of all new missiles and aircraft that have nuclear weapons as their sole or main payload. The specific objective of the freeze is to preclude the deployment of weapons with improved counterforce capability. According to freeze advocates, these weapons increase the risk of nuclear war by putting pressure on political leaders to launch weapons first in a crisis or to move to postures of launch on warning.[7]

A freeze proposal that prohibits modernization after 1985 would leave the Soviet Union its present, largely modernized ICBM force but halt its programs for the new SS-X-24 and SS-X-25 ICBMs. These missiles have solid fuel, improved accuracies, and are pro-

[6] The Reagan Administration in the fall of 1983 incorporated a version of the build-down into its negotiating approach.

[7] Randall Forsberg defines a freeze proposal in "A Bilateral Nuclear-Weapons Freeze," *Scientific American*, November 1982, pp. 52–61.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

jected to be mobile as well as silo-based. The freeze would also prevent the United States from deploying a new ICBM, either the MX or the single-warhead mobile Midgetman. The United States would have a more modernized SLBM force than the Soviet Union, with about twice as many sea-based missiles with multiple warheads. But it would have to forgo its program for developing a new and more accurate Trident II missile. The Soviet Union could not complete the deployment of its planned MIRVed sea-based missile force. Under a freeze, neither side would be able to introduce new ICBMs in survivable basing modes, or modernize its bomber force. For the United States, the B-1, the Advanced Technology Bomber (Stealth) and any additional B-52s with air-launched cruise missiles would be prohibited; the Soviet Union could not deploy a new long-range bomber with or without cruise missiles. Each side's program for sea-launched cruise missiles with nuclear warheads would have to be cancelled. Non-nuclear systems, such as those for air defense and for anti-submarine warfare, also affect the nuclear balance but these would not be limited under a freeze.

Members of Congress, seeking to gain a commitment to arms control from the Reagan Administration in return for their own support of the MX program, introduced in 1983 proposals for a *build-down* of nuclear forces. The basic principle of these proposals is for the parties to eliminate some agreed number of nuclear warheads from their operational inventories for each new strategic nuclear warhead they deploy. The purpose of the build-down is to forestall an open-ended arms race while permitting modernization to replace aging and less survivable systems. The price of modernization would be reductions. The build-down would create an incentive to find new systems that are more survivable than the ones being replaced. Since the limits would be on warheads rather than launchers, it could also encourage smaller and more survivable ICBMs.[8]

Various ratios of reductions to modernization are possible. Formulas could seek proportionately greater reductions in destabilizing systems, e.g., ICBMs or missiles with multiple warheads. One reduction formula calls for the retirement of two old warheads or bombs for each new ICBM warhead, three old warheads or bombs for two new SLBM warheads, and one for each new bomber weapon. Under

[8] Alton Frye outlines the rationale and characteristics of a build-down proposal in "Strategic Build-Down: A Context for Restraint," *Foreign Affairs*, Winter 1983/1984, pp. 293–317. His build-down proposal includes a reduction formula, a proposed target of 5,000 missile warheads, plus a required 5 percent annual reduction in warheads. For an analysis of the build-down proposal, see Louis C. Finch, *START: Ballistic Missile Warhead Portion of the "Build Down" Proposal*, Washington: Congressional Research Service, January 17, 1984.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

this formula, which also favors the areas of greatest U.S. advantage, the United States could pursue its planned strategic modernization programs for 1990, by dismantling the Minuteman II and Poseidon missile forces, the penetrating B-52 bombers, and about one-half of the Minuteman III force. To deploy its modernization program for 1990, the Soviet Union, under the same formula, would have to make more significant reductions, including all its older single-warhead missiles and bombers and most of its land-based MIRVed ICBMs.

Unless some build-down was obligatory—for example, minimum warhead reductions of five percent per year have been suggested—each side would have the option of not pursuing any modernization. If both sides exercised this choice, the proposal for a build-down would turn into a freeze. Having just completed a major modernization of its ICBMs, the Soviet Union is in a better position than the United States to forgo modernization or slow down its planned programs. By not introducing any more ICBMs, the Soviets, under the same build-down formula, would be able to maintain most of their SS-18 and SS-19 missiles and pursue their planned SLBM program.

A particular problem with the build-down is that it moves counter to one of the main goals of arms control—to increase predictability about future nuclear force postures. Each side would have almost infinite choices as to whether and how to modernize and reduce its nuclear forces. A build-down formula could result in any of a wide variety of outcomes, with no preset end point at which to judge whether the resulting nuclear balance or force postures are acceptable.

A third arms control proposal calls for each side to move to *single-warhead missiles*. It would require the phasing out of missiles with multiple warheads and forbid deployment of new land- and sea-based MIRVed missiles. The objective would be to improve over time the survivability of the missile and bomber forces. With only single-warhead missiles, neither side could expect to be able to destroy all the other side's ICBMs in a preemptive attack.[9]

MIRVed missiles could be phased out in any number of ways. During the transition, each side would retain its current advantages: the Soviet Union in ICBM warheads and throw-weight, the United

[9] The Report of the President's Commission on Strategic Forces in April 1983 suggested an approach toward arms control that is consistent with the deployment of a small single-warhead ICBM. Congressman Albert Gore, Jr. introduced into the *Congressional Record* in August 1982 an arms control proposal for moving to single-warhead missiles. This proposal is reprinted in *Survival*, July/August 1983, p. 187.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

States in overall weapons as well as in SLBM warheads and in bomber weapons. The Soviet Union would be able to keep its 1,300 older single-warhead missiles. The United States would retain as single-warhead missiles only the 450 Minuteman II. The Soviet Union by 1990 would be able to introduce a new single-warhead land-based missile. The United States could not be expected to deploy such a missile on land or at sea until the early 1990s.

These three proposals have different objectives but each seeks major changes in the nuclear balance as it is currently projected. The individual proposals are not necessarily distinct alternatives. They could be combined or put into effect in phases. Some supporters of the freeze have noted the possibility that exceptions could be negotiated to permit new single-warhead missiles. One way to proceed toward single-warhead missiles would be through a build-down formula which would give each side the opportunity to introduce a new land- or sea-based MIRVed missile. This would have the effect of producing more symmetrical MIRV forces during the transition.

V

From the perspective of the United States, these three alternative proposals have attractive features. The United States has sought many of their objectives in SALT. Under each of the proposals, the United States would retain an advantage in the overall number of strategic nuclear weapons as well as in SLBM warheads and bomber weapons. The United States under the build-down would be able to pursue its planned modernization program for 1990. Except for the freeze, the proposals produce U.S. and Soviet nuclear force postures that are more alike in terms of their emphasis on particular kinds of nuclear systems and more equal by major static indices than those of today. But because of the current characteristics of the nuclear forces of each side, certain disparities will inevitably remain.

Western publics are currently demanding that nuclear arms negotiations produce reductions in the number of nuclear weapons and constraints on new nuclear systems. Each of these proposals meets one or both of these standards. Western publics also tend to require U.S. arms control proposals to have the appearance of fairness, i.e., the advantages need to be balanced and the requirements for reductions equitable. They suspect that otherwise nothing will ever be agreed. By this standard, the freeze has been criticized, as might be the proposal for a build-down.

Although some in the United States find one or another of these

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

alternative proposals appealing, the Soviet Union will probably not be drawn to any of them. They each constrain in one way or another the strategic modernization program the Soviet Union appears to have planned for 1990. If the Soviet Union were willing to forgo further ICBM modernization, it might find the proposals somewhat more attractive. While the freeze and build-down proposals permit the Soviet Union to keep some or all of its SS-18 missiles, the price of doing so would be considerable in terms of reductions in either older or planned systems.

The Soviet Union has consistently sought in negotiations with the United States its own restructuring objectives. It has in some proposals called for no new submarines, new heavy bombers, or new cruise missiles. But it has not presented proposals for constraining its own modernization programs or for restructuring its own nuclear force posture. The Soviet Union has simply not been interested in—indeed it has steadfastly opposed—persistent U.S. efforts to reduce the emphasis on land-based missiles.

The Soviet Union has been critical of the various Reagan arms control proposals, including those for deep missile reductions and for a build-down. It has publicly called for a nuclear freeze. Given the lag in the U.S. ICBM modernization program as compared with that of the Soviet Union, as well as current Soviet advantages in ICBM throw-weight, the Soviet Union might find the freeze acceptable. Whether these public postures represent serious Soviet negotiating positions is not known.

VI

None of these proposals then would seem likely to provide a means of breaking the impasse in the negotiations. A different approach would be to establish *overall equivalence at lower levels* in the strategic nuclear forces postures of each side. So as not to give an advantage to one side or the other, this approach would include limits on both missiles and bombers and cover both weapons and throw-weight. To that end, equal ceilings would be established for combined missile and bomber warheads and combined missile and bomber throw-weight.[10] The levels would be negotiated according

[10] The major task in this approach is to devise a way to equate bomber weapons with missile warheads and bomber payload with missile throw-weight. For this purpose, a set of counting rules will need to be defined. This is not too difficult for missiles. The counting rules agreed in SALT II for warheads per missile should suffice. Each side will also need to provide its missile throw-weights, which could then be verified by national technical means. Counting rules for bombers will be necessarily more difficult and somewhat arbitrary because of the inherent flexibility in their payloads and weapons. But the payload and number of weapons of a bomber are roughly proportional to its gross take-off weight (GTW). The GTW can also be verified by national technical means. One way

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to what each side was prepared to accept in terms of protecting or reducing its existing forces or those planned for the future. Under the ceilings, modernization would be permitted.

Such an approach would recognize the political imperative in the United States for reductions as well as for parity in a future arms control agreement. But it would seek to balance the burdens on the two sides of reaching the reduced levels. It would also leave some flexibility for each side to design and structure its nuclear forces under equal ceilings to meet its own strategic requirements.

A proposal for overall equivalence could establish ceilings of 6,500 equivalent missile and bomber warheads and eight million pounds of equivalent missile and bomber throw-weight. A subceiling for ballistic missile warheads at 6,000 could also be added to improve the chances of achieving survivable ICBM forces through rebasing.

Under this particular proposal, the United States would be able to deploy in 1990 its planned missile and bomber force. It would have to retire all its Minuteman II and III missiles and about one-half of its penetrating B-52 bombers. The Soviet Union could maintain a strategic nuclear force posture with characteristics similar to the one it has planned. While it would have to make fairly major reductions, these could be spread across its existing MIRVed ICBM and planned SLBM force. It could also deploy new bombers with cruise missiles in lieu of its current bomber force.

The ceilings in this proposal could be raised to permit the Soviet Union to complete the modernization of its SLBMs. Or the ceilings could be lowered to constrain the planned U.S. modernization program and to reduce the Soviet SS-18 missile force.

The overall equivalence approach establishes equality through a balancing of asymmetries. The Soviet Union would continue to have a substantial advantage in ICBM warheads and throw-weight. The United States would retain an advantage in overall strategic nuclear weapons, in bomber weapons, and in SLBM warheads.

In terms of flexibility, the Soviet Union would be able to continue to emphasize heavy land-based ICBMs and the United States a

---

to proceed would be first to establish the payload and number of weapons that will be counted for a B-52 as being equivalent to missile throw-weight and missile warheads. Then, the equivalent payload and weapons of other bombers will be calculated using the B-52 as the standard.

The weapons payload of the B-52 is approximately 20,000 pounds. This will be defined as its equivalent missile throw-weight. The B-52 can carry up to 20 air-launched cruise missiles or about half that number of bombs or short-range attack missiles. But the number to be used for equivalent missile warheads will need to take into account the fact that air defenses are not limited. A reduction of 50 percent in bomber weapons has, therefore, been assumed, which means the equivalent number of warheads for B-52s with cruise missiles becomes 10, and for B-52s as a penetrator it is 5. The equivalent throw-weight and warheads of any other bomber will be equal to the ratio of its GTW to that of the B-52, multiplied by the numbers assigned above for the B-52's equivalent throw-weight and warheads.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

balanced triad. Or each side could exercise the right to introduce nuclear force postures more like those of the other side. The Soviet Union could, for example, trade some of its SS-18s and SS-19s for SLBMs or bombers. The United States could even deploy a new heavier ICBM. But such a restructuring would not be mandated.

The concept behind the approach—equivalence through balancing asymmetries—should be easy to explain to the Soviet Union and Western publics. Obviously, the alternative concept of superiority for either side is not going to be acceptable. Whether overall equivalence at lower levels would prove negotiable is uncertain. It would test Soviet receptivity to reductions without requiring a drastic restructuring of the Soviet nuclear force posture. Introducing throw-weight limits may not appeal to the Soviet Union, though application of those limits to bombers should ease the difficulty.

VII

Once the United States has decided upon its overall objectives and approach for negotiating on strategic nuclear forces, it will need to consider a number of gray area issues. One is procedural and has to do with the negotiating forum for strategic and intermediate-range nuclear forces. To bring the Soviet Union back into the negotiations, it may be useful to combine the delegations and the discussions in Geneva on INF and START. This would be consistent with the 1979 NATO decision which called for negotiations within the framework of SALT III.

But whether to expand the scope of a potential agreement on strategic nuclear forces to cover INF is a separate, and substantive, issue. It is true that by combining strategic and intermediate nuclear forces under one ceiling, the United States would avoid the problem of where to include the so-called "gray area" systems—the Soviet Backfire bomber, the U.S. FB-111 bomber, and sea-launched cruise missiles—which now fall between the START and INF negotiations. Further, Europeans tend to favor combined ceilings so as to avoid the appearance of a separate Euro-strategic balance with its implication of decoupling of U.S. strategic nuclear forces from the defense of Europe. A combined ceiling on strategic and intermediate-range nuclear forces would permit each side flexibility in deciding which kinds of forces to emphasize and could provide a means of gaining reductions in Soviet INF in exchange for limits on certain U.S. strategic nuclear forces.[11]

[11] For the rationale for an arms control approach involving a combined ceiling, see Lawrence Freedman, "The Dilemma of Theater Nuclear Arms Control," *Survival*, January/February 1981, pp. 1–10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Expanding the scope of a START agreement would, however, create some other problems. The most important for both the United States and the Soviet Union is that their strategic and their intermediate-range nuclear forces serve different political and military purposes. Neither may wish to trade off between these forces under combined ceilings. Second, the difficulty of establishing rules for inclusion and exclusion does not disappear, for the category of intermediate-range forces must be defined. Because each side will have flexibility to trade off among many different kinds of weapons under combined ceilings, less certainty will exist as to the characteristics of future nuclear force postures on both sides.

Finally, it will be difficult to design an equitable agreement combining strategic and intermediate-range forces, given the current Soviet advantages in INF. Warhead levels high enough to permit the United States to pursue its planned strategic and INF modernization program would still require the Soviet Union either to eliminate a large number of its INF missiles and aircraft or else to constrain its own planned strategic modernization program. Higher levels would give the United States the opportunity to gain advantages in strategic nuclear forces. A combined overall ceiling on strategic and intermediate-range nuclear forces is thus not as attractive as it may first appear.

The SALT II Protocol included limits until 1981 on sea-launched cruise missiles with a range over 600 km. Much of the American but essentially none of the Soviet urban-industrial and military target system is vulnerable to SLCMs with a range of less than 600 km. To provide symmetrical limits, a future agreement would need to cover SLCMs with a range greater than about 200 km.

Whether the United States should agree to any limits on SLCMs is difficult to say given the uncertainty which currently surrounds the mission of this weapon. It has been presented both as a strategic reserve force and as a complement to U.S. theater nuclear capabilities. What is clear is that verifying an agreement on SLCMs will create many problems. The U.S. Navy is planning to deploy thousands of SLCMs on both surface ships and submarines. Some will be conventional and others nuclear. The Soviet Union also deploys conventional and nuclear SLCMs. For purposes of verification, ceilings on SLCMs will need to include both conventional and nuclear missiles, unless they can be made readily distinguishable—a difficult task and probably impossible if the launch tubes are the same. Before deploying SLCMs with nuclear warheads, the United States should determine that the military value of this system is worth the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

problems it will create for arms control or that it is not possible to achieve equitable SLCM limitations.

Another gray area issue for the United States is how to treat British and French nuclear forces. The British and French currently plan to modernize their nuclear forces. In each case, the number of warheads will increase considerably, although for the British not before the mid-1990s. Including these systems in Soviet-American limits would create major political difficulties for Britain and France. The United States has also opposed Soviet proposals for including these forces in SALT or in the INF negotiations, arguing that British and French nuclear forces are not under the control of the United States. More important, the United States would be left with an inferiority vis-à-vis the Soviet Union, if it were formally to include British and French nuclear forces within its own ceilings in a Soviet-American arms control agreement.

If strategic and intermediate-range forces are included under a combined ceiling, it could become more difficult to resist pressures to include British and French systems formally. At the same time, it may then be easier to treat those systems indirectly under a combined ceiling at fairly high levels.

While British and French nuclear forces will need to be taken into account at some point, this should be done without explicitly including them in the formal Soviet-American limits. One way of proceeding would be to negotiate a separate agreement constraining British and French forces to some fraction of those of the United States and the Soviet Union. Another way would be to give the Soviet Union tacit compensation by the fact that it will probably end up in a future arms control agreement with an advantage in the numbers of missile launchers.

VIII

Does the United States have an interest in negotiating arms control agreements with the Soviet Union? The American public now insists upon a serious arms control effort. But there is a more important reason than just domestic pressures: the United States will be better off if it can equitably limit nuclear forces on both sides. Even if an agreement does not make force levels in the early 1990s much lower than they would have been without an agreement, it can serve to keep them much lower after that period than they would have been in its absence. It would also provide more certainty as to the future nuclear force postures of each side, thus a more predictable context for force planning. The interests of the United States would, thus, be served at least to a modest degree, as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

they were in SALT II, if an equitable agreement is reached, even though it does not produce a major restructuring in the nuclear forces of either side. The United States should, therefore, plan to continue to observe the SALT II limits, as long as the Soviet Union does also, even after they expire in 1985.

Some restructuring will naturally result from interactions between the force planning of the two sides as well as from any arms control constraints which require choices in modernization among various types of nuclear forces. The question then becomes how restructuring should be helped by specific agreements. What kinds of modernization should be permitted or prohibited?

Advocates of the freeze oppose all modernization, arguing that new weapons increase the risk of nuclear war. Opponents suggest that modernization is required to reduce the vulnerability of U.S. nuclear forces and to ensure comparable counterforce capabilities with the Soviet Union. Underlying the arguments of both groups is a concern for stability. Stability is in fact primarily a matter of how each side manages its overall political relations. But to the extent that the strategic nuclear force postures play a role, their survivability is most critical.

Arms control agreements should, therefore, be designed to improve the overall survivability of the nuclear forces of *both* sides. This can best be done through a combination of steps: by reducing the overall number of nuclear weapons and particularly of ballistic missile warheads; by permitting certain kinds of modernization (e.g., mobile missiles); by allowing the rebasing of ICBMs; by regulating the introduction of new missiles; and by phasing out or preferentially reducing certain kinds of older systems (e.g., MIRVed missiles).

The United States will also need to ensure that any limits in future arms control agreements will be equal. The question is through what method: equality in a narrow set of measures, or a balancing of asymmetries in a broader set? A balancing of asymmetries is really all that is practical, given the existing nuclear force postures and the fact that the Soviets are not likely to be more willing to adopt the U.S. nuclear force posture than the United States would be willing to adopt theirs.

In future negotiations, the United States will not lack bargaining material to achieve these various objectives, for it will be producing the MX and Trident II missiles, the B-1 and long-range cruise missiles. To say that any future limits must protect all these programs would imply that the United States needs all of these new systems regardless of what constraints and reductions can be negotiated on Soviet

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nuclear forces. And this is certainly not the case. U.S. force modernization requirements are not absolute. They clearly depend upon expected Soviet offensive and defensive capabilities.

In return for deferring the modernization of its missiles (the MX and Trident II), the United States could seek, for example, a reduction in Soviet missiles with hard-target kill capability to a modest fraction of their present number. Each side would then find it equally difficult to destroy the other side's ICBM force. The Soviet Union is not likely to agree to such a major reduction. Unless limits can be placed on Soviet air defenses, the United States will need to modernize its bomber force. But the United States could always decide on the basis of its own analysis of requirement and costs not to proceed with parts of its currently planned strategic program.

By way of conclusion, arms control agreements can be designed to help the United States ensure that its nuclear forces are sufficiently capable and survivable to provide for deterrence through the threat of effective retaliation. Arms control, thereby, contributes indirectly to the maintenance of peace and the avoidance of nuclear war. To that end, U.S. objectives in a future nuclear arms control agreement with the Soviet Union should be to constrain the overall buildup of nuclear weapons, to pursue a combination of steps to promote the survivability of the nuclear forces on both sides, and to establish overall equality under a broad set of measures.

How best to achieve these objectives will depend on the domestic political situation in the United States and on the tactics of negotiating with the Soviet Union. The SALT II treaty could be modified; the nuclear freeze proposal could be adjusted; the various ideas now included in the U.S. START proposal could be fleshed out. But for a variety of reasons, it will be politically difficult for supporters of each of these to abandon their current positions. Thus, some version of the proposal for overall equivalence at reduced levels may be the best way to proceed, since it is consistent with the central goals of arms control, and it provides both equity and flexibility.

But far more important than the specific details of an arms control proposal is that we come to a consensus in the United States on the need for a Soviet-American nuclear arms control agreement and then on a set of objectives which we can sustain through a prolonged negotiating process and the ensuing debate over ratification. It is now time to settle on our overall arms control approach and to get serious negotiations underway.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

David Webster

DIRECT BROADCAST SATELLITES: PROXIMITY, SOVEREIGNTY AND NATIONAL IDENTITY

We are on the verge of great changes in the international structures and effects of that most pervasive of mass media, television. We are passing from the era of the low-powered distribution satellite, which transmits programs through the filter of a broadcaster or a cable system, into the era of the Direct Broadcast Satellite (DBS), with a higher-powered signal which can go straight into the individual home.

Under a DBS system, all manner of nations, or even all manner of companies which make franchise deals with nations, will have the technical capacity to arrange these direct transmissions to the public the world over. This signal can be transnational and unfiltered. The transmissions have scant respect for existing markets, for national boundaries, for copyright and artistic properties, or for the established political and power structure of broadcasting.

DBS will, in effect, create proximity between far-flung points; all countries across oceans and cultures could become as Canada to the United States, as Ireland to Britain, as the other islands of the Caribbean to Cuba. The economics of communications satellites are not distance-sensitive. They destroy geography. The transmission cost is in sending the signal up and down rather than across. For a satellite with a signal range which spans a continent or an ocean, distances within the cone-like or oval shape of the area reached by the signal—the so-called cone of transmission—become of little economic importance.

Direct Broadcast Satellites, even allowing for cultural differences, barriers of language, and the high cost of entry into the business, make possible an unregulated invasion into traditional domestic markets. With a working DBS, we could all become each other's neighbors, with everything that implies, to be enriched, influenced and irritated by each other. In that sense we may all become Canadians now.

David Webster has been a member of the Board of Management of the British Broadcasting Corporation since 1977 and Director, United States, since 1981. The above article is written in his personal capacity and does not necessarily reflect the views of the Corporation.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Such proximity has serious implications for the business and political structure of broadcasting. It will have long-term social and international policy implications, opening the way, at least technically, for exchanges of values, information and propaganda of unparalleled impact. We are used to arguments about cultural dominance and the free flow of information, but these have usually been in the context of the Third World and North-South competition. By contrast, the changes that are now building up may initially have their greatest impact within the industrialized world, in the rich television markets of Europe in the first instance, but eventually including the United States. Nations, even advanced nations, risk losing control over the development of their own systems of television communication.

Similar possibilities have long been present with international radio transmissions, but with much less importance. Government-sponsored short-wave and medium-wave broadcasts are a commonplace in the Third World and much of Europe, though crackly and unreliable short-wave reception patterns have never made much of an impact within the United States, where a variety of clearer transmissions are available. But television has an impact (and costs) different by several orders of magnitude from radio. The emergence of unregulated television access, therefore, poses problems of law, politics and economics far more profound than any of the familiar conflicts over radio.

So far, responsible government officials do not appear to have recognized these implications. Their discussions of communications technology focus largely on the desire to build high technology industries, to promote employment and to be seen to be modern. The motives of governments are confused. They know communications are important, but have little basis for understanding how to proceed, which technologies to encourage, how far to intervene, or whether to let the supposed magic of the marketplace sort things out.

A rational approach to this new set of questions—which involve not just governments and broadcasters, but also policy analysts and citizens—requires an understanding of just what this new technological development is, and how we got there. We can next consider the promise and delights, but also the difficulties and problems that would be raised, or made more serious, by the widespread introduction of DBS systems. Then we can see how a DBS industry might develop out of the present confused state of policy, and look at possible policies that might be pursued by individual nations or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

groups of nations to get the benefit, while avoiding some of the dangers, of the new technology.

II

As might be expected, television broadcasting developed in diverse ways throughout the world. Europe, for instance, focused mainly on national network systems with little emphasis on local stations, while in the United States local stations were brought together into networks. In both cases the transmissions were initially dependent upon land-lines from telephone companies, and local relay transmitters.

From the 1960s the industry moved to the use of communications satellites, as these became cost efficient, in order to send signals from one broadcaster to another, who in turn arranged onward transmission to the public either directly or through cable systems. (Next year NBC will transfer its entire national transmission system to its local stations from land-lines to satellite.) These point-to-point communications satellites have spanned the oceans and the continents, but they have emitted low-power signals to large and expensive reception dishes, professionally controlled and licensed.

The possibility of higher-powered transponders operating from satellites emerged over a decade ago, with the corollary that the new signals might be received by cheaper and smaller dishes, within the economic and technical reach of individual households.

The International Telecommunication Union, a specialized agency of the United Nations with 158 member countries, is the treaty organization attempting to regulate international transmissions. Direct Broadcast Satellites first came before the World Administrative Radio Conference (a body convened by the ITU) in 1971, but there was no apparent sense of urgency. In later meetings the issue was joined more directly, in the context of a North-South debate over allocation of broadcast frequencies. In the forefront of industrial powers, the United States argued for an evolutionary, "use-as-needed" approach to the assignment of frequencies in the appropriate segment of the electromagnetic spectrum. But the majority succeeded in establishing the principle of assigning guaranteed frequencies to individual member-countries, whether they were in a position to make early use of their assigned facility or not.

In the second half of the decade the World Administrative Radio Conference set about the task of applying this principle to Direct Broadcast Satellites. Over American objections, on the grounds that the technology was still evolving and that any widespread DBS deployment was a decade or more away, the European, African and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Asian members of the Conference accepted and worked out an allotment plan in 1977 and 1979. Individual countries in their hemisphere were assigned specified positions in outer space (orbital slots) in which DBS could be placed, authorized to broadcast on certain frequencies at certain signal strengths. Each nation was given a cone of transmission that would cover its own territory with as little overlap as possible into the territory of others. Exceptions to this principle in Europe were granted to Andorra, Lichtenstein, Luxembourg, Monaco, San Marino and the Vatican, all of them so small that spillover was inevitable, and exceptions were also made for regional groupings in Scandinavia and among Arab states.

As it turned out, the U.S. argument that technology was likely to change rapidly was correct. In the last five years reception technology has advanced significantly, with both the size of the dish and the cost of the associated electronics dropping dramatically. These developments have had the effect of enlarging the scope of the cone of transmission. They also blur regulatory distinctions, for instance, between high-powered DBS and mid-powered satellites, which operate under different rules but are still capable, arguably, of delivering a proper service to individual homes.

These mid-powered satellites are one of three types of equipment relevant to this discussion. More familiar low-powered satellites operating in the C Band, which have been with us for a long time, are used by professionals to transmit to very large receiving dishes. The newer mid-powered satellites in the Ku Band may not have been designed for transmission to individuals at all and may not even be transmitting on frequencies initially designated for direct broadcast to individuals. They have been considered point-to-point or Fixed Service facilities rather than facilities for general Broadcasting Service. With improved reception technology, however, it is in fact practical for an individual household to receive even mid-powered signals on a reasonably small dish of two to four feet in diameter. (Admittedly, some argue that, in business terms, it is better to work with less power in the sky and slightly larger dishes rather than what they would regard as excessive power in the sky and very small dishes.)

These emerging technical distinctions have given rise to great confusion, since the international regulations in Europe, for instance, concerning the third kind of satellite, classified as Direct Broadcast Satellites, are different from the regulations covering the mid-power, point-to-point satellites. The trend of the technology and the drive of the marketplace could be making a nonsense of the regulatory structure.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the United States it is different. So far there has been little attempt to interfere with mid-power satellite plans to use frequencies designated for point-to-point communication in order to achieve direct broadcast. DBS allocations were ultimately made for the Western Hemisphere in 1983, but in a practical sense there seems to be no barrier to entering the market by the side door. By and large, any satellite transmission you can see that you are intended to see is DBS. This is a down-to-earth definition, but one that is not yet officially recognized in Europe. The question is whether official recognition will turn out to be all that important in the real world of market pressures—maybe only if it bends.

Today, if the problems of initial cost and acceptable programming can be met, it is technically possible for all Europe, and other parts of the world as well, to become a morass of overlapping signals from satellites assigned originally to cover mainly one national area. And the likelihood is that further improvements both in transmission and at the receiving end of direct broadcasting will be achieved. Already today, for example, the cone of transmission of the allotted Irish satellite could readily cover Britain as well as Ireland, while that of Britain could cover not only Britain and Ireland but also much of continental Europe. Moreover, a Direct Broadcast Satellite, beyond the edge of its normal transmissions, can become a communications satellite to larger dishes. So you add this simple ability to pull a distant foreign signal into a local cable system and send it into individual homes from there. The cable system can easily amortize the cost of very expensive and sophisticated equipment to do the job.

The new range of DBS possibilities—both high-powered and mid-powered—has predictably led to intense interest in the past two years, not only on the part of governments but especially among private entrepreneurs who might be licensed by nations to use all or part of their allocated orbital slots. For example, in considering future commercial telecasting, the Irish government has admitted that Britain is the prime market to be targetted and has sought proposals to help it develop and extend its system. The Australian press magnate Rupert Murdoch is reported to be among those interested in taking the Irish path into the British market. The Irish could well make a partnership with American interests—or with anybody else. Similar possibilities are being studied by a number of other entrepreneurs, some seeking to reduce costs by using mid-power DBS transponders that would nonetheless reach a worthwhile audience and some hoping to bend rules and operate on frequencies

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

allocated originally not to true high-power DBS but to point-to-point Fixed-Service communications.

III

The disorientation foreshadowed by the DBS technology is strikingly political, but commercial and legal as well. The possibilities for direct or indirect propaganda are immense. What happens if this powerful ability to communicate should become the vehicle of deliberate policy of one nation toward another? East Germans now see the television signals of West Germany and vice versa, Belgians pull French and British television into their cable systems and the Dutch draw from the Germans, while Jordan and Israel beam their respective newscasts to each other. Through cable systems the signal of the Soviet distribution satellite, Horizon, is already technically available in households of Western Europe, and for professional reasons the signal is monitored in Britain and in the United States. We are facing a world of many more signals of higher power and easier availability. Direct attempts at propaganda, however, may be the least of our problems.

Television programs tend to reflect the values of the country of origin. Even if nonpolitical in character, they are not value free. They may be designated good, bad or indifferent artistically, but the real point is that they are not yours. So if a nation believes that it has a culture of value, and one which should be healthily reflected in the dominant media, it has a new problem. Nations with tender new communications systems can become dominated by strong ones.

For some small nations there may be another side of the coin. Under international agreements, all nations can have certain rights to pieces of the frequency spectrum. As a legal entity, however small, the island of Bermuda, for instance, has been allocated two orbital slots for DBS. These are like property rights in outer space. If you have no need or no money to build your own house, there may be someone else who will pay to pick up the option. Of course, your property only has value if it is a convenient path into a more lucrative market, if nobody can find another path, and if you make a deal at the right time. What is given by regulation can be lost if the regulation collapses.

To take an even more intriguing example, a search through the literature will reveal that the government of Andorra, with the agreement of the two co-princes (the Bishop of Urgel and the President of the French Republic), has given permission for the study of an Andorran Direct Broadcast Satellite. The World Ad-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ministrative Radio Conference of 1977 allocated a position (at 37 degrees West) to that legal entity. Andorra is, not surprisingly, looking for partners in this venture, and the Andorran market itself is hardly likely to be the attraction. In earlier days, when Andorra was offering radio frequencies to outside companies, one of the applicants was a Muslim group trying to reestablish Islamic influence in Spain.

One of the first things the new commercial and technical possibilities threaten in Europe is the notion of public service broadcasting. For many reasons, some of them idealistic and some bad and repressive, West European countries have tended to government control of their broadcasting, both in its standards and in its quantity, and to fund it with public money. Government broadcasting authorities also controlled imports, taking the pick of the American product. By and large, Europe has put its faith in a system which relied on the reallocation of resources in the name of the public good, by financing the bread from the revenues of a limited number of circuses.

Once the restraints of regulation and nationally controlled transmission technology are removed, established business practices are disrupted, as witnessed by the concern expressed in reports of the European Economic Commission on such matters as the breakdown of national standards on the control of advertising. The problem of copyright arrangements to compensate the owners of the programming rights is complicated, but pales into insignificance when compared to the potential cultural and social impact of satellite development. All this is so if one considers simply the interaction of the desire for more entertainment and the desire to make money—ignoring the potential for deliberate propaganda.

This can happen today in the smaller developing countries receiving the signals of even the existing low-powered point-to-point satellites. Take the case of an island in the Caribbean or in the Pacific. So far their residents have had access to short-wave radio from afar, their own local radio, possibly a small-scale television service that buys syndicated old programs from Hollywood. Now that same island can buy a satellite dish (even if individual homeowners cannot yet afford it), and pull in signals from other lands to feed the hunger for entertainment that has already been stimulated by video cassette machines and bootleg tapes. "Pirates" of the Caribbean basin are growing fast. Their booty is rebroadcast on local stations without much thought of copyright or payment to the owners. Some islands have experienced visits from American businessmen who have taken local entrepreneurs up upon a high

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mountain, shown them a satellite dish and offered to build a domestic cable system. This may have glamour, but should hardly be high on any sensible list of priorities for economic development.

The Caribbean has been in the forefront of this phenomenon because of the easy availability of nearby U.S. signals. But islands like Tonga in the Pacific are among those which have also received offers from eager foreign entrepreneurs.

IV

The prospect of every man with his own satellite dish, receiving television programs from, literally, heaven knows where, has so far sent the nations of Europe, in the first instance, into a search for defensive alternatives.

Faced with losing control over the television signals entering their countries, and thereby over the whole structure of their broadcast communications, they have the option of imposing restrictive laws or setting up external barriers in the market place—for instance by establishing technical standards incompatible with those of other countries and making it uneconomical to try to overcome them.

This is, of course, less of an embarrassment for totalitarian countries. They will not have too much difficulty in inhibiting the manufacture or importation of the essential electronics, although the Soviet Union is already confronted by pirate viewing of unauthorized video tapes by the elite. But, for a democracy, overt acts against freedom of communication are not politically popular, and the market forces behind the flow of information and the purveying of entertainment are very strong indeed. They have political power.

Historically, as we have seen, most of Europe's existing television systems have been highly regulated and deliberately confined to a limited number of channels, but that is changing. If the choice from outside can no longer be barred, one strategy is to multiply the choices from inside. The precedent of the Radio Luxembourg experience may be helpful. In the 1950s, popular commercial programming from Luxembourg, complete with hit tunes and breezy chatter, competed with the long-standing radio monopoly of the British Broadcasting Corporation, with its staid and high-brow image. Later, it was followed by the pirate stations from ships offshore. Rather than lose its appeal to younger Britons altogether, the BBC had to revamp its image and its programming, introducing the popular Radio One. That and the introduction of commercial radio into the United Kingdom brought the audience back to the British rather than off-shore programming. Today Luxembourg may again play a significant role in the development of transnational

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

television signals in this new era, although the costs and risks in such a television venture are very much greater.

Some governments argue that with the new television technology, it must be made economically and technically preferable to pass programming through a new kind of filter. In Europe, most governments appear to have decided that the filter should be a professionally controlled cable system.

With cable, the principle of a national filter is retained, even as the choices of programs multiply. The market can be rigged to inhibit the spread of satellite reception directly by individuals. The trick here is not actually to ban direct reception, but to discourage it by technological standards and an economic structure that makes cable cheaper for the consumer. The cable system, of course, can be regulated because it is a public franchise.

But even if a government is successful in turning its people away from the temptation of direct reception, there is a catch. The alternative, the cable system, has an insatiable and undiscriminating appetite for product. Few nations have the production base to feed the multi-channeled monster. The only source of popular entertainment at the right price is the United States. It has the popular inventory. American entertainment is already universally available, watched by the millions (and deeply resented by the elites) in many countries, but as the volume of transmissions increases, the cumulative effect will be more profound.

The French government has already made it quite clear that it does not intend to allow the unrestricted importation of foreign signals or programming into its planned cable transmission systems, a modern Maginot Line of culture. Under the rules of the European Economic Community, it may have difficulty in discouraging programs from other European countries, but this is not its main concern. The real problem, as the French see it, is to keep out the Americans. So they will set quotas.

Britain intends to expand its cable systems and, having a strong domestic production base, seeks to protect it. But with a touching and recently discovered faith in market forces, the British are of at least two minds about how restrictive to become toward foreign programs and signals.

In West Germany, former Chancellor Helmut Schmidt once described cable television as "more dangerous than nuclear power," but his successor, Helmut Kohl, has started a major investment, through the Deutches Bundespost, to build cable systems with private-sector programming, based on commercial advertising. The Netherlands and Belgium, where cable penetration is already high,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are bracing themselves for more signals coming into their systems from abroad, and are likely soon to allow pay television—as distinct from basic cable—for the first time. At least, these European governments argue, at the local cable head where the signals are received and retransmitted down the line into the individual households, some control can be maintained.

In the area of news and information, Ted Turner's Cable News Network signal from Atlanta is already in Japan. Arrangements are being made in other parts of Asia, and he is expected to provide the signal to cable systems and hotels in Europe next year. CNN's incremental costs involve only extension of the signal, and the market is extended accordingly. The local entrepreneur faces the cost of creating a complete round-the-clock service for what seems to be a small and vulnerable market. Recently, when the Canadians sought to establish a domestic cable news service, no one in Canada was willing to try.

For many years Canada has faced a special problem, with the bulk of its population strung out from East to West in relative proximity to the border with the United States. The Canadians have had great difficulty in sustaining their domestic production base because of the strength and popular attraction of their southern neighbor's signals. Canada is one of the few countries to have articulated any clear policies to try to deal with its situation. Recently it has decided to license the importation of certain additional U.S. signals into its highly developed cable systems, but is encouraging the marketing of these program services in bundles which include less attractive or economically viable Canadian program services. It has further imposed Canadian content regulations on programming and quotas on foreign imports, and offers special funding for domestic production, all aimed, perhaps more in hope than in expectation, at building up Canada's own communications strengths so as to become less vulnerable to imports.

As technology brings more channels, market forces will grow to dominate and most forms of government control will be eroded. There will surely be some modification and restraints, but the likely way to generate the large amounts of cash needed to expand communications systems, which governments themselves may be reluctant to spend, will be to let people try to make money out of it. Technology and the market impetus will crash against the old barriers of supposed public good, and these, eventually, will fall.

V

In the new era a nation well served by a creative, powerful and independent communications industry, such as the United States,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

will be less vulnerable than those which are weak or restrictive in the information and entertainment they serve their people.

But there are questions. The United States, particularly in its over-building of multi-channel cable systems, already shows every sign of expanding capacity to transmit far beyond its capacity to provide an economic base for anything worth watching. This trend is only likely to accelerate as DBS reception becomes a technical and economic commonplace. Good programs cost money. If programs become available from elsewhere, at the right price, they will build their share of audience in a highly fragmented market.

So far, most imports into the United States have been up-market and vaguely cultural, not much of a threat to the dominant American stream of programming. But as the national audience becomes fragmented with many offerings on many channels, old loyalties are eroded and other influences may gain a foothold.

For example, the fastest growing minority in the United States is Hispanic. Where does most Spanish-language programming come from? Certainly not from an indigenous production base within the United States. Much of it is made in Mexico. Spanish-speaking producers in the United States will begin to feel like their Canadian counterparts, undercut by their next-door neighbors. Cuba will attempt, with Soviet help, to go into DBS for the Caribbean and Central America, and to transmit to the United States as well. Similarly, once the audience for Chinese-language programming reaches an economic level, imports from the People's Republic of China, Taiwan or Hong Kong will be increasingly attractive. The opportunities for social and political messages, alongside familiar cultural patterns, are obvious.

The United States has never been confronted with this question in any serious fashion, at least not until now. It has a prosperous and diverse communications industry. Signals from other countries, or indeed competition in programming, have never seemed threatening. But this can change; the United States may not be immune forever, for good or ill.

VI

The factors working to speed up a revolution in transnational television are technological feasibility, which creates its own kind of imperative; the drive for markets; and a defensive need to occupy territory before it is inhabited by others. People also seem to want more choice of television programming, but it is not clear how much they are willing to pay for it, by whatever method of transmission.

In contrast, slowing down the revolution are different national

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

technical standards (some of them newly erected for defensive reasons); business doubts about highly capital-intensive and long-term projects; and obstructive government regulation. There are also copyright tangles and cultural resistance, leading to a problem of obtaining programs that people actually want to watch in enough volume to make the enterprise worthwhile. The question is whether the revolutionaries marching into a supposedly glorious future might trample down the harvest of today.

Very few governments and very few responsible officials seem to have thought the matter through. Even among the few who have addressed it seriously, there is a dismaying mixture of motives in what is proclaimed as a communications policy. Either such naïve faith is proclaimed in market forces that there is, in fact, no policy, or there is a government plan for active intervention for industrial reasons. In some cases there is a confused mix of both. Communications thinking is so muddled up with the need to stimulate or protect certain industries (notably an inefficient European electronics industry terrified of the Japanese), to provide employment, to protect culture, or to placate certain constituencies, that it makes no sense in terms of its substance—which is communications.

Another danger is that aspiring nations may invest in an infrastructure for communications far beyond their real needs. It could become the latest status symbol, like an uneconomic Third World airline. Its effects on national values, cultures and cultural diversities may prove, however, even less well judged and far more serious.

For larger and more prosperous lands, confusions of motive could lead to high investment in over-elaborate systems using an inappropriate technology, smothering people with excessive entertainment options, all in an attempt to provide an economic base for interactive home banking systems, energy control, home security and computer chat, things probably attainable by a cheaper technology of less glamour. Many of these services are, no doubt, socially useful if not essential, and one day people may regard them as the norm of a comfortable home, just like tap water. But the real cost must be examined. It is not merely an economic cost.

Simple prudence belongs alongside the business barriers, the high initial investment and continuing high risk, and the regulatory barriers that linger to inhibit the new DBS technologies. People can be misled by a romantic notion of what may be technically possible, to the neglect of what may make good economic sense and what may be politically acceptable. A vast gulf also looms between the vision of those who wish to exploit markets, however crudely, and those who wish to preserve culture, good or bad, with varying

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

degrees of wistful conservatism. Much scholarship has been applied to convergence in the telecommunications industry, data flow, the problem of privacy and so on, but so far little has been done to examine the possible political and social transnational effects of the new technologies.

There are some who will argue that the breakdown of the old order is for the best anyhow, and with a wistful Panglossian air tell you about market forces and technological imperatives. Others, with a more wild-eyed look, and usually planning to use other people's money, will lecture on the new Renaissance, which they claim is about to astonish us, if the market is liberated. They regard regulated television services as today's version of monks laboring over illuminated manuscripts, keeping the mysteries the monopoly of the elite until the age of the printing press. The more conservative school of thought shudders at the possible downfall of responsible and politically accountable mediating institutions (the established broadcasters), which are regarded as a vital part of the social fabric of nations.

As it will probably work out, the revolution will not come fast enough for the revolutionaries. Indeed, many of its active proponents will lose a great deal of money by being too far ahead of the game. The conservatives, on the other hand, will be unable to resist the change altogether. Some good things will be lost; one can hope that some others will be found.

VII

What should be the basis of rational governmental thinking? The first rule should be that "more is not always better," and the second should be that "what is possible is not always desirable."

Governments wishing to give their people more viewing options, by whatever suitable technology, without washing away hope for their indigenous production base, should move, like Canada with its Program Development Fund, to strengthen that base first.

For the larger countries, a reasonable policy would be to move steadily forward into DBS, in a controlled and phased fashion. The sovereign allocations of DBS capacity could be used in transnational cooperation. The British and the Irish, for example, could treat their total of ten orbital slots in a joint coherent development, since all their signals could cover both markets. Such planning could bring economies of scale and maximize new technological opportunities, such as much clearer pictures on larger screens, the system of High Definition Television. Communities should multiply the means of transmission only when they have some reasonably clear

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

idea of what it is that they expect to have transmitted. The riposte to the statement: "I can give you 50 channels" should always be: "50 channels of what?" Any other approach is not only politically irresponsible, it may also be bad for business.

The aim should be to provide a service to the overall public, rather than allowing direct competition for a very fragile market. Cut-throat competition, except in the largest and strongest and most entrepreneurial economies, would create unacceptable losses in the early days of founding a new industry, as each separate company lunged for what they saw as the most lucrative sector. In some cases, commercial prudence will prevent too much of this bloodletting; in others, some degree of government involvement in providing ground rules and early economic help may be needed.

The smaller countries, that have a legal right to their real estate in the sky but no means to develop it, should attempt to assess its value and trade off their rights on a leasehold basis to others to whom it has value and who have the resources to build. They will have to act fast, for people will find other paths into the market and their celestial real estate could lose its lustre. They should use their leverage to obtain the basic infrastructure for a reasonable communications system of their own, nothing too grand or too glamorous, but suited to their real needs and conducive to the preservation and enrichment of their own culture and values. Plenty of alien corn will be scattered around; they should try and nurture some of the home-grown variety.

VIII

At the end of the day, the net effect of greater viewer choice, by whatever method of transmission, will probably be good. The more international communication, the better, at least in theory. But this will be so only if there is real choice, enriching to the consumer, rather than a false choice between economic modules labelled as programs, manufactured for largest audience at lowest cost.

Doubtless Siena worried about the cultural impact of Florence, but we now know that that was an interaction full of creativity and confidence. The danger of the unthinking multiplication of television options is that it may homogenize and extinguish local flavor.

It is the Direct Broadcast Satellite and the cable that present a dark scenario. But the technology is neutral. A brighter story is also within our grasp. For it to become reality, we will need more thought, imagination and understanding than has so far been in evidence.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Evan Luard

WHO OWNS THE ANTARCTIC?

There are disturbing indications that a major international dispute may be about to emerge over an important but little known area of the world's surface: the Antarctic.

The problem raises some of the same issues that have become a source of contention in relation to the international seabed. Who owns the area? Can the region, or individual parts of it, be taken under the control of individual states or groups of states? If it proves to contain valuable economic resources, how should they be exploited and for whose benefit? How should decisions be reached on these questions—in other words who should determine what kind of "regime," if any, should be established to regulate the area? Finally, what should be the nature of such a regime if it were to be established?

In the case of the seabed, these problems caused 15 years of debate and argument, provided the subject matter of a prolonged international conference which lasted for over eight years, and finally produced a comprehensive draft treaty which remains controversial. Though the Law of the Sea Treaty has now been signed by over 130 countries, the United States, Britain and West Germany are significantly absent from the Treaty's parties. Exploitation of the seabed has provoked a major, though little publicized, crisis in North-South relations which could continue to cause difficulties in the West's relations with developing countries for many years to come.

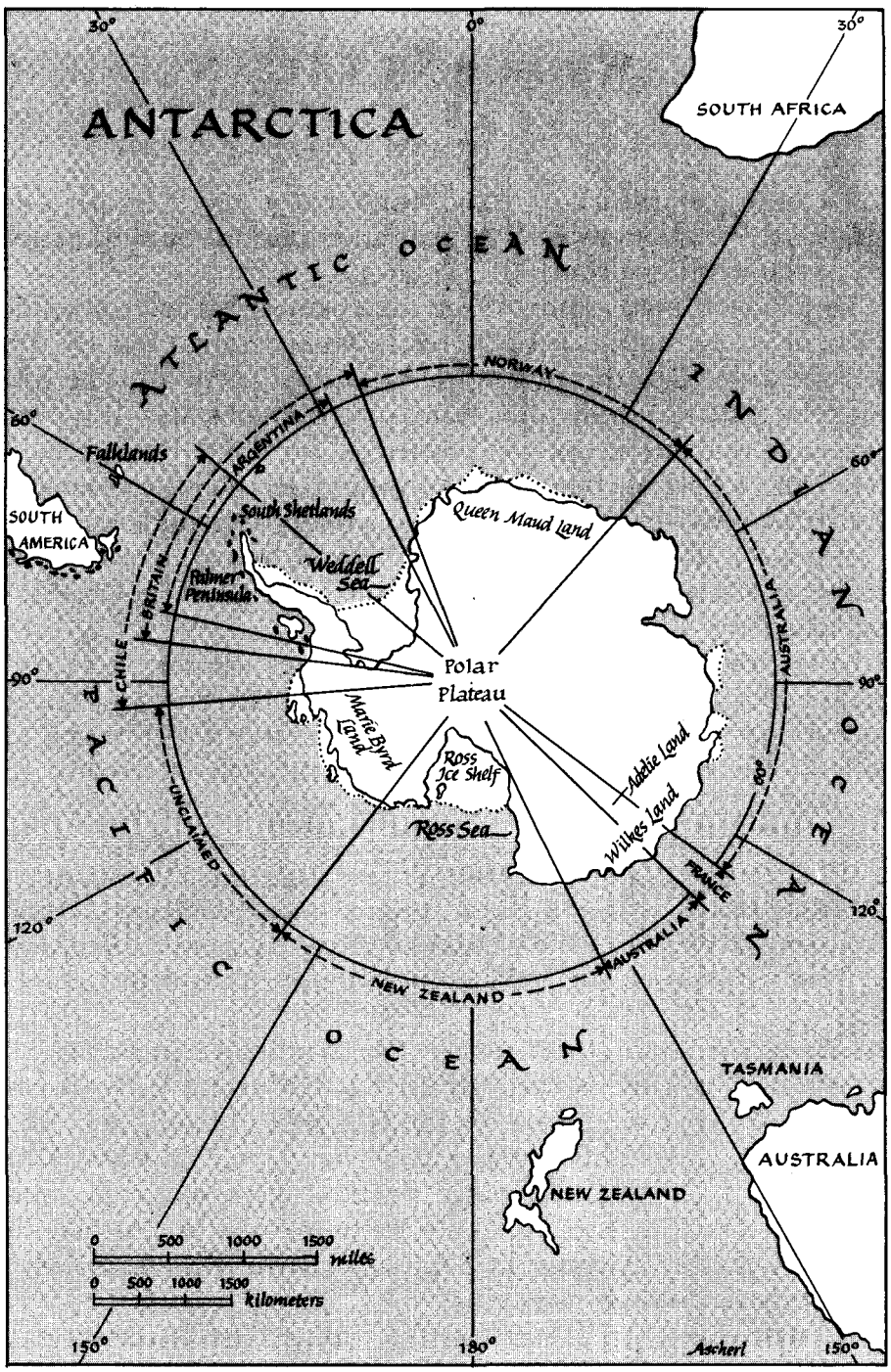
As far as the Antarctic is concerned, the disagreement has only just begun. When the issue was raised at last year's U.N. General Assembly, it may have been only the first shot in a long war which could last for years and which will be fought partly (though not entirely) on a North-South basis. Further discussions are taking place now, and the issue is likely to figure in the forthcoming General Assembly opening in September, where a more serious confrontation could occur.

This article seeks to sketch briefly some of the historical back-

---

Evan Luard, formerly a Minister in the British Foreign Office with responsibility for international organizations affairs, is a frequent writer on international affairs. Among his books are *The Control of the Seabed, A History of the United Nations* (Vol. I) and *The Management of the World Economy.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ground, to describe the principal sources of dispute today, and to suggest a possible way of resolving the difficulties.

II

Let us begin with the past.

Exploration of the Antarctic was begun about 200 years ago. In 1772–75 Captain Cook sailed round most of the continent and proved for the first time that New Zealand was not a part of it. In 1819 a British party landed in what is now called the South Shetland Islands and at about the same time a Russian expedition sighted the mainland. A U.S. sealing ship in 1821 made what may have been the first landing on the land mass of Antarctica. In 1840 a French scientific party, studying magnetism, claimed Adelieland for France—though no Frenchman landed there until 1948. At almost the same time an American party under Captain Wilkes discovered the area now known as Wilkesland.

Systematic exploration of the land mass began with Roald Amundsen's international expedition of 1897, followed by a series of further expeditions until 1912 when, almost simultaneously, Amundsen and Robert Scott reached the South Pole.

Scientific expeditions continued between the wars; in 1938 the United States established an Antarctic Survey which briefly placed a permanent base in the Antarctic. But neither the United States nor the Soviet Union, among the exploring powers, asserted territorial claims to any part of the area.

Other countries were less reticent; seven countries have, over the years, put forward claims on various grounds. Britain, France and Norway claimed various clearly defined geographical areas, usually on the basis of discovery or "effective occupation." Claims were also put forward by the two nearby South American countries, Chile and Argentina, on a number of grounds: discovery and occupation, but also administration of the area, the occurrence of births and marriages within it (carefully organized by Chile) and even the Papal Bull of 1493 and the subsequent Treaty of Tordesillas dividing the Americas between Spain and Portugal.

Early in this century these claims were extended into the deep heart of the continent, whether or not the areas had been explored or occupied at all. The ingenious "sector principle" (previously used in the Arctic) was invoked: where any two points near the periphery had been effectively occupied, not only could the land lying between them be claimed but the entire sector or cone having its apex at the Pole. Under this principle most of the continent fell rapidly under national claims; by 1940 only one sector, representing

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

perhaps a sixth of the continent, remained unclaimed. It remains so until today.

All the claims were controversial. Though "discovery" could be asserted for small parts of each sector, there was no "effective occupation" of most of them. Some of the claims were mutually contradictory. The whole of the land claimed by Argentina, for instance, lies within the area claimed by Britain. More than half the area claimed by Chile is claimed also by Argentina or Britain or both. In the immediate post-World War II period these conflicting claims led to a number of incidents: flags were torn down, stations destroyed and rival expeditions sent to the same areas. In 1952 a scuffle took place between British and Argentine parties at Hope Island. Though insigificant in themselves, these incidents attracted considerable though short-lived publicity and drew attention to the potential dangers of the rival claims.

Interest in the area was revived during the International Geophysical Year of 1957–58 (the "Year" was finally stretched over two). The Antarctic is important for scientific research, especially because of its important effects on world climate. A number of countries undertook studies and a highly effective basis of cooperation was established among groups of different nationalities (including American and Soviet teams). As the "Year" drew to a close there was concern that the cooperation established should not end, and in particular should not be damaged by the effects of disputes over sovereignty or other rights. There was also a fairly general desire to prevent the area being used for military purposes; serious suggestions had been floated that Antarctica might be a suitable area for nuclear testing or even for the emplacement of missiles.

In May 1958 the U.S. government invited 11 countries thought to have a special interest in the Antarctic to discuss more permanent arrangements. Included were the seven claimant states, Britain, France, Norway, Australia, New Zealand, Argentina and Chile, plus the Soviet Union, Japan, Belgium and South Africa. The criteria for inviting non-claimants appear to have been related to scientific activity at that time. The Soviet Union eventually agreed to take part, while making clear that it reserved the right to put forward territorial claims in the future.

Working parties met in Washington starting in July 1958, and a formal conference began in November the following year. In December the 12 countries agreed to the terms of the Antarctic Treaty, which came into effect two years later.

The main purpose of the Treaty was to provide for the continuing conduct of peaceful scientific research in the area (which was

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

defined as the area south of 60° latitude). It banned all military activities there as well as nuclear explosions or the dumping of nuclear waste. It put in abeyance all existing claims in the area—no country was asked to abandon its claims but none was asked to recognize them either. The area was to be open to scientific expeditions from all countries party to the Treaty. As a safeguard against violation, each signatory was to inform the others of all installations and expeditions and a system of mutual inspection was established. Officially designated observers would have the right of access to all stations, installations and even the ships maintained by other parties to the Treaty within the area. All individuals and expeditions would be subject to the jurisdiction of their own governments (and not therefore to that of the claimant powers). The signatories agreed to meet at regular intervals to consider the operation of the Treaty.

The Treaty was open to accession by other countries. But only those judged to have undertaken "substantial scientific research activities" were to become "consultative parties" and therefore be able to take part in the management of the system. In the first 23 years of the Treaty only two more countries were admitted to this status: Poland (1977) and West Germany (1981).

The Treaty marked an important step forward. First, it established the principle of de-militarization. Although this provision, like everything else in the Treaty, formally bound only those that became parties, it seemed unlikely that any other countries would seek to breach the principle once it had been laid down in this way. Second, by putting in abeyance conflicting claims, the Treaty reduced the threat to scientific activity from conflicts over sovereignty and jurisdiction. Finally, it established a system for regulating and supervising scientific research in the area in a way that would reduce conflict and promote cooperation.

For these limited purposes the Treaty has worked reasonably well over the past quarter-century. Research activity has steadily built up: during the summer months some 3,000 members of scientific expeditions can usually be found working in the Antarctic. A number of useful measures of conservation have been introduced. It is obviously important to ensure that scientific activity is not of a sort that can damage the unique and highly vulnerable environment of the area. Some measure of protection has been provided by a series of "regulations": by the Agreed Measures for the Protection of Fauna and Flora; by the Convention on the Conservation of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Antarctic Seals; and, finally, in 1980, by the Convention on the Conservation of Antarctic Marine Living Resources.[1]

The Treaty powers believe that these measures should not be put at risk by changes in the system. Nonetheless, the Treaty has come under increasing criticism over the last few years. The right of the Treaty powers to exercise authority within the area has been questioned. Formally only a series of undertakings and restraints made by the parties themselves, committing them alone to particular types of action, the Treaty has been seen by some as a means of influencing and restricting the actions of other states as well. Critics believe that the purposes of the Treaty, and the functions of the Treaty powers, have been gradually enlarged from a system for scientific cooperation to the management of the area's resources. The system remains in the hands of a relatively small and, in effect, self-appointed group, almost entirely developed countries. A substantial number of European powers (of both East and West) are still excluded, as well as the vast majority of the developing countries of the world.

Perhaps to meet this criticism, two further countries have been admitted to the status of consultative parties within the last year: India and Brazil, both developing countries. In addition, about a dozen other countries have ratified the Treaty but have not been admitted as consultative parties on the ground that they are not undertaking "substantial scientific research activity." They are therefore unable to take part in the conferences every two years, though they can now attend as observers; in a sense their inferior status only underlines the degree to which the system as a whole remains in the hands of a small group, which itself decides which other countries shall be allowed to participate.

None of this mattered very much so long as the main subject under discussion was scientific research. Few other countries had the desire or the capacity to be involved in such research. The Treaty system is under attack now because the Treaty powers are increasingly involved in discussion of another matter in which a large number of other countries feel that they have a vital interest: the question of what system should be introduced to regulate the

[1] U.N. agencies which expressed an interest in the area—specifically the U.N. Environmental Program, which proposed a program of environmental protection in Antarctica in 1975, and the Food and Agriculture Organization, which planned a major scheme for fisheries regulation about the same time—have been firmly discouraged from interesting themselves in these matters. As a result, many of the powers concerned in drafting the Living Resources Convention had no knowledge or experience of fishing in the area, while some of those that did (Taiwan and South Korea, for example) could not participate.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

exploration and exploitation of the potential mineral resources of Antarctica.

III

A precedent of sorts was set for the discussion of resource questions when the Convention on the Conservation of Antarctic Marine Living Resources was adopted in 1980. In that measure the Treaty powers took responsibility for controlling the use of resources—notably abundant stocks of the shrimp-like krill, fished primarily for animal feed—within (and indeed beyond) the Treaty area. Questions could reasonably have been asked then about the right of this particular group of powers to draw up legislation relating to the use of those resources. But at the time, few questions were asked, and for a fairly simple reason: few countries were interested in fishing in the area and most of them were already Antarctic powers. There was general recognition that conservation was needed and no great objection to the particular measures proposed. In any case little publicity surrounded the Convention; many countries were probably barely aware of what had been done.

The Living Resources Convention established a Commission which, like regional fisheries commissions in other parts of the world, was to survey the living resources in the area, establish the scale of fishing activity and the size of catches, and publish information about them. It had the power to designate observers able to board fishing vessels to check on catches and activity. On the basis of this information, it could decide on any conservation measures it believed to be necessary. But the powers of the Commission are in practice limited: it has to reach its decisions by consensus; any member that feels unable to adopt a particular recommendation has only to give notice within 90 days.

Questions remain, therefore, about how far the Commission will be able to secure compliance with its recommendations and how effective the system is likely to be. A number of fisheries experts have expressed doubt that the Convention will prove effective in reducing threats to the stocks of krill. Disputes occurred among the Treaty powers themselves during the negotiations for the Convention about its application, especially about the provision it makes for "coastal state jurisdiction," which some of the parties interpret to mean jurisdiction based on their own claims to the Antarctic continent, even though these claims have not been officially recognized by the others. Such conflicts are some indication of the problems that could arise, even among the Treaty powers them-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

selves, in establishing a regime for the potentially more valuable mineral resources of the area.

A minerals regime would be a much larger and far more controversial undertaking. It could lead to considerable differences among the Treaty powers themselves and, even more, between the Treaty powers as a group and other sections of the international community.

The Antarctic land mass has long been suspected to contain valuable resources: coal, iron ore, copper, nickel, lead, silver, cobalt, manganese, titanium. Because 98 percent of the continent is covered by ice, however, there is no serious likelihood that any of these will be exploited within the near future. Most of the interest has therefore concentrated on the resources of the immediate offshore areas which, some experts believe, could be rich in oil and gas.[2]

More than 15 years ago Texaco approached the U.S. government to inquire about obtaining a license for exploration in this area. In 1974 the U.S. Geological Survey produced a highly optimistic estimate of available Antarctic oil and gas reserves, suggesting that the discoverable oil reserves of the Ross, Weddell and Bellinghausen Seas could contain recoverable reserves of 15 billion barrels. In February 1979 a representative of Gulf Oil said that he believed the oil potential of the Ross and Weddell Seas alone was in the range of 50 billion barrels; recoverable oil in the Alaskan North Slope fields, for comparison, is estimated at ten billion barrels. During the late 1970s both Norway and West Germany undertook surveys in parts of the Weddell Sea, which were probably designed to examine the possibilities of economic exploitation. In 1980–81 Japan began a three-year search for oil and gas under the auspices of the Japan National Oil Corporation. British Petroleum has expressed considerable interest in the potential of Antarctica as a source of oil and there have recently been British investigations off the east coast of the continent. The French Petroleum Institute, the Institut Français de Petrole, has undertaken seismic work off Adelieland and the Ross Sea in the last two or three years. Australia's Bureau of Mineral Resources has shown increasing interest in the area and has undertaken seismic work off the Amery ice shelf. In 1975 the Soviet Union established a base in the Weddell Sea area, probably designed to study the possibilities of mineral exploitation. Both the Soviet Union and Poland have undertaken oceanographic and seismic work during the last five years. The U.S.

[2] See Barbara Mitchell, *Frozen Stakes: The Future of Antarctic Minerals*, London: International Institute for Environment and Development, 1983, p. 48.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

government has been undertaking survey work in the Ross Sea within the last year.[3]

All this activity would not be taking place in the absence of a real possibility of major oil and gas finds. The questions arise, therefore: who do the Antarctic resources belong to? Who can decide when, where, how and by whom they can be exploited? And who should derive the benefit from the royalties (if any) to be obtained?

Over the last year, discussions among the Treaty powers on this question have become intensive. Meetings of the consultative parties took place in Washington in January and subsequently in Tokyo. These negotiations are confidential, but it seems fairly certain that the Treaty powers are hoping to be able to produce proposals for a minerals regime in the near future.

Knowledge that these discussions have been taking place has stimulated action elsewhere. The fear of decisions being reached which could determine the disposal of the resources of this area, widely seen as international and outside the sovereignty of any particular states or group of states, has caused increasing concern, particularly among developing countries. Many reject the right of the 16 existing consultative parties to determine unilaterally the future of the area and its resources. They have suggested that a more genuinely international system for regulating the use of the area needs to be created.

The question was raised at the 1982 General Assembly session of the United Nations by the Prime Minister of Malaysia, Dr. Mahathir bin Mohamed. He declared that "the days when the rich nations of the world can take for themselves whatever territory and resources that they have access to are over. Henceforth, all the unclaimed wealth of the earth must be regarded as the common heritage of all the nations of this planet." He rejected the claims made to parts of the area in the past as similar to those previously made by colonial countries:

> These uninhabited lands do not legally belong to the discoverers, just as the colonial territories do not belong to the colonial powers. Like the seas and the seabeds, these uninhabited lands belong to the international community. The countries presently claiming them must give them up so that either the United Nations administer these lands or the present occupants act as trustees for the nations of the world. . . . We are aware of the Treaty of Antarctica concluded by a few nations which provides for their cooperation for scientific research. . . . While there is some merit in this Treaty, it is nevertheless an agreement between

[3] *Ibid.*, pp. 9–21. In theory the Treaty powers have agreed to a moratorium on commercial exploration of resources. But it is not easy to distinguish between purely scientific research and that which has commercial value, and in practice the moratorium seems to be increasingly ignored.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a select group of countries and does not reflect the true feelings of members of the United Nations or their just claims. A new international agreement is required so that historical episodes are not made into facts to substantiate claims.

This move soon got wider backing. At its 1983 summit meeting in New Delhi the Nonaligned Movement issued a statement to the effect that the "exploration of the area and the exploitation of its resources shall be carried out for the benefit of all mankind. . . ." The 1983 session of the General Assembly, it urged, "should undertake a comprehensive study on Antarctica, taking into account all relevant factors, including the Antarctic Treaty, with a view to widening international cooperation in the area."

Once again Malaysia took the lead at the 1983 General Assembly, declaring the need for a new, more broadly based system. A resolution was passed by consensus calling on the U.N. Secretary-General to undertake a "comprehensive, factual and objective" study of the problems of the area and to report back. It therefore seems inevitable that the issue will be discussed again at this year's General Assembly, whether or not the Secretary-General's final report is then ready.

Thus, a considerable swell of opinion has built up in the international community for a new look at the Antarctic arrangements. Many feel that the Treaty powers do not have the legal right to dispose of the area's resources. A demand is being put forward that a new, more genuinely international system governing the area now needs to be created.

IV

What should be the response to these events?

A growing tide of international opinion does not, of course, mean that the Antarctic Treaty necessarily needs to be abandoned and some entirely new set of arrangements put in its place. Defenders of the Treaty system rightly argue that it has served for over a quarter-century to create stable conditions for scientific research and effective protection of the environment in the area; it would therefore be foolish to jettison a piece of machinery that is serving its purpose so well.

The Treaty powers, however, must recognize that the situation today is by no means the same as it was 25 years ago. A treaty that functioned well when its main purpose was to provide for a system of peaceful and cooperative scientific research will not necessarily work well for the quite different purpose of establishing a viable minerals regime. A system of control by a very small group of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mainly developed nations that may have worked reasonably well when other countries had little interest in the area will not necessarily work well at a time when widespread international attention has become focussed on the region.

What are the conditions that must be met by any satisfactory system governing the affairs of the Antarctic?

Clearly it must maintain the existing de-militarization of the region. It must provide the basis on which scientific research can continue to be undertaken in conditions of cooperation. It must provide the best possible protection for the truly unique environment of Antarctica (an environment that is especially vulnerable—for example to the effects of oil spillage, as the special measures taken by Canada to protect the Arctic environment there have recognized). It must provide reasonably open access to the area for all legitimate purposes, while avoiding the dangers of a free-for-all and a competitive scramble, whether for territory or resources. Above all, it must establish a reasonably stable system which is not subject to sudden reversals, or to challenge from without. This means that it must be a system commanding a considerable measure of international consent. No system that is without such consent, certainly not one that is opposed by a significant section of the international community, is likely to provide the stability necessary for making a minerals regime viable, and for securing the high volume of investment that is likely to be required.

Three broad measures could be devised as the means for fulfilling these conditions. One is likely to emerge from the current discussions of the Antarctic Treaty powers. This would be to maintain the existing Treaty system and establish a new minerals regime within it. Such a proposal would maintain the viability of the Treaty system, and ensure that management lay in the hands of those with the greatest experience and knowledge of the Antarctic.

But any such Treaty-based regime would face three difficulties. First, it would retain its exclusive character. Membership of the select group of "consultative parties" has, as we have seen, been broadened only very marginally in the past 25 years. The only African country now represented is South Africa, a fact which in itself must make the system fatally suspect to almost every other country in Africa. To make the Treaty more acceptable to outside countries (including other European countries not now involved), membership would need to become far more broadly representative, with at least two or three representatives from each continent. This would demand a change in the criteria on which admission as a consultative party takes place. So long as the Treaty was primarily

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

concerned with cooperation in scientific research, the condition that a member should have undertaken "substantial scientific research activity" was not an unreasonable one (though the definition of "substantial" was always imprecise). If a principal function becomes the management of the resources of the area, that qualification becomes less logical. There are already some signs that technical capacity is not the only factor influencing admission to the ruling group.[4] If the Treaty is to be made more acceptable, political factors will need to be given still more weight.

A second difficulty in the Treaty powers' approach concerns the minerals regime itself. Their plan will no doubt provide for "open" access by all states and their enterprises. But this will not make the system more acceptable to the great majority of the world community. Developing countries are only too aware that it will be a long time before their nationals are in position to undertake exploitation work. A system of open access to the territory—that is, of granting licenses on the basis of first-come-first-served—will therefore be seen (as was the case in the seabed discussions) as slanted in favor of the industrialized countries. They alone are in a position at present to make use of the opportunities available. Even if arrangements were made for generous revenue-sharing—that is for distributing part of the royalties received to the whole international community, or to all developing countries or the least developed countries—these objections would not be overcome. Non-Treaty powers will be as much concerned (as in the case of seabed exploitation once more) about opportunities for *direct* involvement in operating activities as about the administration of the system or financial benefit. The establishment of an open and non-discriminatory regime for exploitation will thus not in itself overcome their suspicions; on the contrary, they would certainly strongly oppose a system in which they felt that opportunities for exploitation were to be enjoyed exclusively by multinational companies from the developed countries.

The third problem that would face such a Treaty-based system is the greatest of all. Even if membership was broadened, the system would continue to be based on questionable legal foundations, and could on these grounds be easily challenged. Critics could point out that even the Treaty itself does not make any provision for mineral

[4] Belgium remains a Consultative Party, though it has undertaken little scientific research work for some time. China was given help by Australia and New Zealand in sending scientists to Antarctica in 1981, possibly with a view to assisting it to become a Consultative Party. Brazil had undertaken only a small amount of scientific work before being invited to become a Consultative Party. At one time maintenance of a year-round station in Antarctica was a desirable credential for acceptance as a Consultative Party, a condition no longer demanded.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

exploitation. Nor does it put forward any claim to control over the resources of the area. On the contrary, it specifically states that "no act or activities taking place while the present Treaty is in force shall constitute a basis for asserting, supporting, or denying a claim to territorial sovereignty in Antarctica, or create any right to sovereignty in Antarctica."

A minerals regime inevitably raises the fundamental question of ownership of the area and its resources. The claims previously put forward by the seven claimant countries could hardly be used as the basis for asserting rights. Those claims have been explicitly placed in abeyance by the Treaty powers (including the United States), and are rejected by some outside powers. They are in some cases in conflict with each other. They do not cover the entire continent. The high seas, beneath which many of the most valuable resources are believed to lie, are excluded from the jurisdiction of the Treaty; and it is not self-evident that a continent which is itself under no accepted sovereignty can, in effect, create its own Exclusive Economic Zone (above all for that part which has never been claimed).[5]

Finally, and most important of all, however binding the Treaty may be for those countries which have signed and ratified it, it can have no force for the 130 or so countries that are not party to it. This means that any of them could quite legally—perhaps through arrangements with a company registered in its territory—undertake exploration and exploitation within the area, in defiance of the regime proposed, and in so doing make it almost unworkable. At least, this could create such instability as to deter the necessary investment.

These represent serious difficulties that would face any attempt by the Antarctic Treaty powers to establish a minerals regime under the terms of that Treaty. What is the next choice? The developing countries are likely to propose abandoning the existing Antarctic Treaty altogether and to devise a wholly new regime, perhaps under the auspices of the United Nations, governing all uses of the Antarctic area. They see the Treaty as an unauthorized venture by a small group of powers which, now that others have become aware of the problems, needs to be replaced by a more genuinely international and comprehensive system. But there are difficulties here too.

The negotiations required to establish a wholly new "regime" would be far more lengthy and complex than if the purpose were

[5] Such a Zone is a 200-mile belt off the shore of a coastal state in which that state exercises resource jurisdiction but cannot interfere with navigation or other high seas freedoms.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

only to establish a system for minerals exploitation (itself already quite complex enough). There would need to be a negotiation over the creation of a new system governing scientific research and protection of the environment within the Antarctic area (not unlike that which took place in the Third Committee of the Law of the Sea Conference, the committee dealing with research and marine development). Bitter disputes would surely ensue about the status of the measures already implemented, for example, concerning living resources and conservation generally. The existing de-militarization of the area would be at risk. The scientific community, which is generally content with the present arrangements, would be extremely anxious about possible constraints on freedom of research. There would be many problems relating to enforcement. Essentially technical questions about research would be politicized. The negotiations would be likely to lead to sharp confrontations between North and South, possibly on some of the same issues that caused difficulty in the Law of the Sea negotiations—freedom of scientific research, the role of flag states (or the governments sponsoring scientific expeditions) in enforcing environmental regulation, and so on. The goodwill of the Antarctic Treaty powers would certainly be further eroded if the entire system they have set up were to be threatened in this way. The chances of conflict, and even breakdown, in the negotiations would be very much increased. And if the Antarctic powers refused to abandon their existing system, there would be a direct conflict of authority within the region.

Thus, as long as the Treaty is progressively opened to new members as their scientific capacity increases, there would seem to be little advantage in replacing it with new mechanisms for coordinating research and protecting the environment. Both functions are being well performed under the present arrangements. Neither is an activity in which outside countries are much concerned to participate. The interest of non-Treaty powers is concentrated on the area's mineral resources.

V

This leads to consideration of a third solution which has so far had little discussion: this is to retain the existing Antarctic Treaty for all its current purposes, but establish some separate system for the management of the area's resources. Important benefits from the present Treaty would be retained. The provisions for demilitarization of the area would remain unaffected. So would the system for overseeing research activities and for preserving the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

global environment. Once it was made clear that these were now the main purposes of the Treaty, and that it no longer made any claims to provide authority for controlling the area's resources, most of the antagonism now felt toward it would be likely to disappear. Large numbers of countries presently hostile would probably become willing to ratify and to participate in the Treaty's cooperative measures.

For the purpose of controlling mineral development, however, a new system would be established that was more fully international. This could still be done in close collaboration with the Treaty powers (many of which would play a leading part in the operation of any minerals regime anyway). But the ultimate responsibility for setting up the regime would be undertaken on a wider basis, having a more generally recognized legitimacy and therefore able to command a greater degree of international confidence. Such a regime should secure a better balance of interests among different groups than one established by the Antarctic Treaty powers alone.

The latter have, and are seen as having, a self-interest in allowing exploitation on a relatively free basis. "Access to resources" and "security of supply" may appear to them to be more important principles than wise management of resource use, environmental control and just distribution of exploitation opportunities. They are likely therefore to be more permissive in the way they run the system than a more broadly based and detached authority would be. That this could be so is demonstrated by the so-called Beeby proposals, discussed by the Treaty powers a year or so ago on the initiative of the New Zealand chairman of the relevant committee. These provided that applications for licenses to operate should be considered by Regulatory Committees, consisting mainly of representatives of the applicant states and those they nominated, and representatives of claimant states and those they nominated—in other words, precisely those whose interest in exploitation is greatest. Proposals of this kind have seemed to confirm the fears of environmental groups that a regime established by the Treaty powers alone would be over-favorable to exploitation and would not allow adequate protection of other interests.

How would such a system cope with the fundamental question of ownership? Would the seven claimant countries accept a more broadly based minerals regime of the sort proposed here?

It has been suggested that one of the advantages of continuing to make use of the Treaty system for organizing a minerals regime is that it is likely to be more possible within that relatively small group to contain the pressures from the claimant countries, and to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cope with their demands for special treatment in recognition of their "rights." It is by no means certain, however, that the Antarctic Treaty system itself can deal effectively with these demands—certainly not in a way that is likely to be acceptable to the international community outside.

Any system in which considerable weight is attached to the rights of the claimants would immediately raise the ancient conflicts concerning these claims. These are disputes among the Treaty powers themselves, and the conflict of interests between the claimant and non-claimant powers among the Treaty nations is at least as great as that between the Treaty and non-Treaty countries.[6] For example, the likelihood is that claimant countries will favor a system in which they will enjoy a share in relatively high royalties, as well as a share in control of access—whereas the United States, as the country with the greatest interest in free access and easy exploitation, has an exactly opposite interest.

Nor is it necessarily the case that the problem becomes greater in any wider forum. For example, it is not impossible that the two Latin American claimants, whose demands have been the most insistent, might be willing to consider some system in which their rights were shared in some way with other countries of Latin America. Such an arrangement could not be reached among the small group of Antarctic Treaty powers alone.

There is no reason why a fully international minerals system should not take account of the special claims and interest of particular powers or groups of powers: claimants, geographical neighbors, potential exploiters and so on. Nearly all the U.N. bodies so far established with responsibility over various types of economic activity have granted special representation in their councils to particular powers having the greatest knowledge, experience and interest in the field concerned. Thus the International Labour Organisation provides special representation for the countries of "chief industrial importance"; the International Civil Aviation Organization for the countries of chief importance in civil aviation; the International Maritime Organization for the chief ship-owning and chief ship-using countries. In the World Bank and the International Monetary Fund a greater voting power is accorded to the countries that contribute most of the funds (so that the rich countries with only

[6] Ironically, the more membership of the controlling group is extended to make it appear more representative, the harder it may be for the group to agree on a regime: it does not seem likely, for example, that India and Brazil, now Consultative Parties, will be very favorable to the kind of highly permissive, free market system being discussed a year or two ago. And the provision of unanimity for all decisions does not facilitate rapid decision-making among the Treaty powers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

about 20 percent of the population have 60 percent of the votes). In the negotiations for the Law of the Sea Treaty there were prolonged discussions about the composition of the Council responsible for supervising the implementation of the Treaty; the formula finally arrived at, giving special representation to the countries most involved in seabed exploitation as well as to the chief consuming countries (in both cases likely to be developed states), was accepted by the Carter Administration, and by other Western nations at that time, as representing a reasonable compromise.

A new system negotiated for the Antarctic could contain similar provisions, for example, special representation on the supervisory council for particular groups of countries recognized as having a special interest. These would undoubtedly include the countries with a special geographical interest, Argentina, Australia, Chile and New Zealand, for example; or even those with a special historical interest, such as Britain, France and Norway.[7] It could also include special representation for countries particularly involved in scientific research in the area. It could include the United States and the Soviet Union as superpowers (and countries having a long-standing historical interest). And it would also no doubt include representative developing countries: perhaps Brazil, India and China, already deeply involved, along with others representing particular areas.

If a council of 30 or so countries were established on this basis, it should go some way to meeting the concern of the existing Treaty powers that their special interests and their historical responsibilities should be recognized; and it would assure countries previously excluded from participation that the system would be based on a more genuinely international and democratic foundation.

If this were the system of control, how might the benefits of exploitation be distributed? The general assumption has always been that the regime established would provide for a system of licenses for operation in the area, to be granted to individual companies and enterprises in return for royalties (in the same way that national governments grant licenses to their own offshore areas). One of the problems would concern the distribution of royalties. There is a good case for setting aside at least a significant share, not merely to cover the costs of administration, but for the cost of establishing an adequate system for preserving the Antarctic environment.

Since there is no precise knowledge so far of what resources exist, and what the scale of exploitation is likely to be, we can also have

[7] France and Britain might well claim inclusion in the former category because of their responsibility for Kerguelen and the South Shetlands respectively.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

no idea of the scale of funds likely to be generated. But it seems possible that, as in the case of the international seabed regime, these will be much smaller than has been widely hoped. If there were funds left over, there is a case for using some to finance schemes that would enable people from developing countries to have a larger share in research within the Antarctic area and for a transfer of technology in exploitation. Many would like to think that there would still be enough left over to provide for distribution to member states, especially the least developed, but it is unlikely that the sums available for this will be large, at least for some time to come.

The seven claimants, or at least some of them, may make demands for special treatment in this respect too. There has been some indication over the last few years of a hardening of attitude among these countries. Chile recently settled a party in the sector of the Antarctic which it disputes with Britain, apparently with a view to strengthening its territorial claims. Peru, which was not an original claimant, has recently suggested that it too enjoys special rights in the area. Even the British government has given some signs that it expects to receive special treatment by virtue of its territorial claims (and the reassertion of its rights in the South Shetlands recently may indicate the importance it attaches to these claims).

Other powers are not likely to look on such claims with much sympathy, either within the Antarctic Treaty system or outside it. Developing countries could possibly be somewhat more sympathetic to the claims put forward by immediately neighboring countries; in this respect four of the claimants (Argentina, Chile, Australia and New Zealand) might be thought to have a claim to special consideration. These would be matters that would need to be negotiated in any new system to be established. They would no doubt give rise to some bitter disputes, but there is no fundamental reason why they should not ultimately be resolved, just as compromises were finally found on many of the equally difficult issues negotiated in the Law of the Sea discussions.

VI

Thus, of the three alternatives that we have outlined, the last seems likely to provide the best basis of approach. The final outcome will depend on the results of complex negotiations, both among the Antarctic Treaty powers themselves (whose views by no means coincide) and between the Antarctic powers as a whole and the other members of the international community. Eventually there may well be proposals for a big international conference, compa-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rable to the Law of the Sea Conference, to draw up a new convention.

It is probable that the Antarctic Treaty countries will soon come forward with their own proposals for a minerals regime. There is a danger—again there is a close parallel with the situation concerning the seabed—that there could be pressures to move ahead unilaterally with the adoption of such a regime, preempting action at the broader international level. Proposals of this kind have considerable dangers. They could well divide the Antarctic Treaty powers themselves, and would certainly create a very serious adverse reaction among the rest of the international community. Since a regime established in this way could turn out to be highly unstable, it is likely not only to be confrontational in effect but ultimately self-defeating in its outcome.

The difficulties of reaching agreement on any satisfactory international system should not be underestimated. There are many diverse interests that have to be reconciled: those of the existing claimants, of the immediately neighboring powers, of the superpowers, of producing and consuming states, and of the large majority of nations at many different stages of development, which have so far been excluded from participation in the system. It will not be easy to match the legitimate interests and aspirations of each group. But it is the task of international negotiations to seek such reconciliation, and with reasonable goodwill there is no reason why they should not finally prove able to do so in this case.

Certainly the consequences of *not* reaching agreement could be disastrous. A major split, leading to a conflict of authority, could usher in a period of anarchy in the area. This could cause grave damage to a unique part of the world's environment. There could be a threat to the cooperative system for scientific research that has worked so well over recent years. There could even be a competitive grab for resources. In the worst case of all there could even be renewed territorial conflicts within the region.

These are all reasons enough why an intensive effort should now be made to establish an effective international system to govern the affairs of this very special part of mankind's natural heritage.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Alfred L. Atherton, Jr.

ARABS, ISRAELIS–AND AMERICANS: A RECONSIDERATION

Looking back over the course of U.S. involvement in the Middle East since World War II, and of my own personal involvement for much of that period, I am struck by the unanimity and consistency in America's perception of both its national interests, and its policy objectives, in the Middle East.

Specific national interests, largely unchallenged across the political spectrum, can be summarized as: unimpeded use of the area's sea and air routes, essential to fulfill our strategic responsibilities as a global power; access to the area's vast oil supplies for ourselves and our allies; and the security and survival of the State of Israel, a long-standing commitment based on historical, moral and political considerations.

Policy objectives to protect these interests have been consistently defined as essentially three-fold: the existence of stable governments on friendly terms with the United States; peaceful resolution of regional conflicts, above all, that between Arabs and Israelis; and the prevention of a dominant Soviet influence in the area which would undermine American interests.

This much said, I have found neither unanimity nor consistency in the policies adopted and the measures taken to protect these interests and pursue these objectives.

Debate and differences of opinion about U.S. Middle East policy have been an almost continuous feature of the American political scene for over three decades, as Americans in and out of government faced a constantly changing, and at times bewildering, Middle East. This policy debate has, over the years, revealed the lack of national consensus about our priorities when the pursuit of one set of interests and objectives suggests policies which make the pursuit of others more difficult.[1] As a corollary, it seems to me we have often been ambivalent about what political costs we are prepared to assume, internationally and domestically, to pursue a given policy course in the Middle East. Our actions have often reflected that ambivalence.

This leads me to another general observation about our perennial national debate over American Middle East policy. The policymaker's task is frequently complicated by the need to strike a balance between foreign policy considerations on the one hand, and domestic political considerations on the other. This dilemma is, of course, not unique to the United States, nor is it unique to the

[1] For example, our commitment to Israel has often been interpreted as requiring support for, or acquiescence in, policies of the government of Israel which complicate the pursuit of our objective of having stable Arab governments in the area on friendly terms with the United States. Conversely, steps to support friendly Arab governments (e.g., the supply of arms) have often been interpreted as inconsistent with our commitment to Israel.

Alfred L. Atherton, Jr. was formerly Assistant Secretary of State for the Near East and South Asia, Ambassador at Large for Middle East negotiations, and Ambassador to Egypt. Now Director General of the Foreign Service, he no longer has direct responsibility for Middle East policy. This article reflects entirely his personal views.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

formulation of Middle East policy. In my experience, however, domestic political considerations have probably carried more weight in determining American Middle East policy over a longer period of time than they have on any other major foreign policy issue since the days of the China Lobby. I say this not as a criticism, but as a statement of fact. It is a fact which Israel has long recognized, but which Arab leaders—with the sole exception of Egyptian President Anwar Sadat—have tended to wring their hands about rather than including it in their own calculations.

American policymakers, in searching for strategic concepts to guide Middle East policy through the shifting mosaic of regional, global and domestic factors, have tended to adopt one of two broad approaches which, at the risk of oversimplification, can be defined at follows:

—One approach views the conflicts in the Middle East through the prism of the global East-West conflict. According to this view, consideration of global strategy and efforts to enlist the support of Middle East nations against the Soviet threat take priority over initiatives designed to resolve the underlying causes of regional conflicts, and, specifically, the Arab-Israeli conflict.

—The other approach holds that regional conflicts have their own roots and are more a cause than a result of superpower confrontation. According to this view, while we cannot ignore external threats to our interests in the region, efforts to deal with the root causes of the Arab-Israeli conflict, including above all the conflicting Israeli and Palestinian territorial claims in the area west of the Jordan River, must be dealt with before we can realistically hope to enlist the support of Middle East states on our side of the global conflict with the Soviet Union. Underlying this view is the premise that regional conflicts like that between Arabs and Israelis, by destabilizing the area, provide fertile ground for exploitation by the Soviet Union in the East-West conflict.

American Middle East policy has swung like a pendulum between these two approaches—sometimes even trying to swing in both directions at once. Even during periods when we have adopted the latter, regionalist, approach, we have not always pursued it resolutely because of our disagreements over priorities and our ambivalence about paying the political costs involved. What follows is an overview of how these swings of the pendulum and differences over priorities and costs have influenced our policy. At the end, I suggest some lessons we can draw from the history of this period as we seek to shape policies to protect American interests and achieve American objectives in the Middle East for the years to come.

II

During the first Arab-Israeli war of 1948 and its immediate aftermath, American policy supported U.N. efforts to end the fighting. In the early 1950s, the pendulum began to swing the other way. Hope for early Arab-Israeli peace faded with the hardening of Arab attitudes toward recognition of Israel. The one Arab leader who was seriously negotiating a peace settlement, King Abdullah of Jordan, the grandfather of King Hussein, was assassinated.

This was a period of growing Western preoccupation with cold-war issues, of efforts to insulate the Middle East from Soviet inroads and preserve Western hegemony in the region. While work continued on aspects of the Arab-Israeli

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

conflict,[2] American policy focussed increasingly on the role of the Middle East in U.S. global strategy vis-à-vis the Soviet Union and the threat of international communism. Egypt and the other Arab countries, however, saw Israel as a greater threat than the Soviet Union. Rejecting American proposals for a Middle East Defense Command, Egypt and Syria turned for arms to the Soviet Union in the mid-1950s, enabling Moscow to establish a foothold for the first time in the heart of the Arab world.

In 1956–57, the United States strongly opposed the British-French-Israeli attack on Egypt and forced an early Israeli withdrawal from Sinai. This opened the lowest era in the history of U.S.-Israeli relations and won for the United States a short-lived upsurge of popularity in the Arab world. But it quickly became clear that the driving force behind American policy during the Sinai war was not so much to support the Arabs against Israel as it was a desire to preempt Soviet exploitation of the crisis.

We followed with renewed proposals to the Arab states to join us in an alliance against the dangers of international communism, but once again, most Arabs saw this as the wrong threat and declined to respond. The only Arab government to participate was Iraq, which had earlier joined with Turkey, Pakistan, Great Britain and Iran in the Baghdad Pact, remaining a member until its pro-Western government was overthrown in the revolution of 1958. Washington's perception of a Soviet hand behind the Iraqi revolution, and, at least initially, in the Lebanese civil war the same year, reflected the extent to which the pendulum of American policy in this period had swung toward the "global strategy" approach to the Middle East, and away from a recognition of the role of indigenous national and regional factors in determining the course of events in the area.

Historians will long argue whether the United States, preoccupied with efforts to bring key Arab states into its global strategy in the 1950s, missed an opportunity to move the Arab-Israeli conflict toward a settlement in that early period. In particular, did our insistence on rapid Israeli withdrawal from Sinai in 1956–57 deprive Israel of an opportunity to utilize its occupation of Egyptian territory to seek Egyptian concessions on peace and recognition? My own view is that given the regional and global political circumstances of that period, the time was probably not ripe for Arab-Israeli peace. For one thing, Egypt, then as now, was the only Arab neighbor of Israel that was strong enough to take the political lead; for Egypt to have done so, however, would have unleashed a backlash in the Arab world inimical to Egyptian President Gamal Abdel Nasser's pan-Arab ambitions. For another, U.S. support for a policy that would have traded Israeli withdrawal from Sinai for Egyptian recognition of Israel would have been inconsistent with the flat U.N. call for Israeli withdrawal. It could have been exploited by the Soviets to improve their position in the area at American expense.

III

The pendulum of U.S. policy swung back in the early 1960s toward a greater focus on the causes of regional conflict in the Middle East. The new Kennedy Administration made a serious effort to establish a productive relationship with Egypt and, through the mission of Joseph E. Johnson, to devise a solution to one

[2] One example of these efforts was the 1953 U.S.-sponsored Eric Johnston Plan for sharing the waters of the Jordan River.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the most festering and potentially explosive aspects of the Arab-Israeli conflict—the Palestinian refugee problem. This effort ultimately suffered the fate of other projects designed to deal with the symptoms of the Arab-Israeli conflict rather than its root causes; these were, and are: the refusal for years of all Arabs (and of some still today) to accept Israel's right to exist as a sovereign member of the family of nations, and the conflicting Arab and Israeli territorial claims in Palestine.

The attempt to build a new relationship with Egypt was greeted with suspicion and alarm by Israel and became an increasingly divisive domestic political issue in the United States. Egyptian intervention in the Yemen civil war, with its perceived threat to Saudi Arabia and American interests there, sealed the doom of Kennedy's new Egypt policy. Arab-Israeli tensions built up through a growing cycle of cross-border incidents, of provocations and retaliations. This was the period of Arab threats to divert the headwaters of the Jordan River, and of an event that was to cast a long shadow over the future—the admission of the Palestine Liberation Organization to membership in the Arab League, symbolizing its emergence as the independent embodiment of Palestinian nationalism.

In the spring of 1967, events in three arenas of conflict converged to trigger the third outbreak of full-scale Arab-Israeli warfare in two decades:

The first arena was the conflict among the Arabs themselves. Egyptian political and (in Yemen) military intervention in the affairs of other Arab countries had raised inter-Arab tensions to a high level.

The second arena was the Arab-Israeli conflict. When both Jordan and Syria were bloodied by Israeli retaliations for cross-border raids from their territory by armed Palestinians, they and other Arabs taunted Egypt for not living up to its Arab defense pact commitments to come to their aid against Israel.

Nasser sought to recoup through a major act of brinksmanship, which turned out to be a major miscalculation. He ordered the United Nations Emergency Force from Egyptian territory along the border with Israel, declared the closure of the Strait of Tiran on the approaches to Israel's southern port of Eilat, and mobilized Egyptian forces in Sinai. Virtually overnight, Nasser had nullified security arrangements which had been a major factor in securing Israeli withdrawal from Sinai a decade earlier. Whether or not Nasser intended actually to invade Israel, and there is reason to believe this was not his intent, he had forced a counter-mobilization in Israel and created a threat which no Israeli government could accept as a permanent state of affairs.

The third arena was that of the East-West conflict. Seeking advantage for itself in these tensions, the Soviet Union engaged in a disinformation campaign designed to persuade the Arabs that Israel, with American collusion, was planning armed aggression against them, and, in particular, against Syria. This had the effect of increasing pressure on Egypt to adopt a militant stance vis-à-vis Israel.

This interaction of national, regional and external forces created a momentum toward hostilities that by the end of May 1967 had probably become irreversible. War broke out in June, and in six swift days of dramatic combat, Israel took control of Egypt's Sinai Peninsula, the Golan Heights of Syria and, most significantly, the West Bank of the Jordan and the Gaza Strip, lands on which the Palestinian Arabs had retained their foothold in Palestine (albeit under Jordanian rule and Egyptian administration respectively).

Out of the prolonged diplomatic negotiations that followed the Six Day War came U.N. Security Council Resolution 242 of November 22, 1967. That

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

resolution, the basis for peacemaking efforts down to this day, marked a watershed in the history of the Arab-Israeli conflict. In effect, the Security Council determined that Israel and the neighboring Arab states should not return to the armistice agreements which had governed their relations since 1949, but should conclude peace between them.

Resolution 242 set forth certain principles on which to base the settlement, including an Israeli withdrawal from territories occupied in the 1967 war in return for peace. By not specifying withdrawal from "the" or "all" territories occupied, the resolution left an element of ambiguity—essential to secure its acceptance—which was to plague future negotiating efforts.

Later criticism of Resolution 242 has focussed, in addition to this ambiguity, on two points: the absence of any explicit provision for direct negotiations between the parties, and failure to treat the Palestinian issue as other than a refugee problem.

It is inconceivable today that any Arab-Israeli peace agreements could be reached without direct negotiations and without recognizing that the Palestinian issue is a political and territorial matter as well as a refugee problem. But look how attitudes and realities have evolved since 1967: the fact is, neither of these points was a major stumbling block when Resolution 242 was being negotiated and adopted.

IV

I have long believed that the United States should have been more directly involved in putting forth proposals for promoting an Arab-Israeli negotiating process in the period immediately following passage of Resolution 242. We had played a key role in achieving passage of that resolution. Thereafter, however, while we were supportive of U.N. peacemaking efforts by the Secretary General's Special Representative, Swedish Ambassador Gunnar Jarring, our posture was essentially passive. Our only direct foray into the diplomatic arena in that period was the July 1968 Middle East trip of Ambassador George Ball, then the U.S. Permanent Representative to the United Nations. (In retrospect, it seems incomprehensible that the Ball mission, although it overflew Egypt en route to Saudi Arabia, did not visit Cairo, the key Arab capital for any peacemaking effort. We perceived Nasser, at the time, as the villain of the Six Day War and a Soviet client, and we believed that the key to progress on the Arab side lay in Amman and Riyadh.)

By the time we saw the merit in more U.S. initiative in putting forth proposals to the parties, the window of opportunity that existed immediately after passage of Resolution 242 had started closing, not to open again (except briefly in early 1971—see below), until after the October 1973 War.

By 1969, the war of attrition along the Suez Canal was heating up. Furthermore, Israel had begun putting down roots in the territories occupied in the 1967 war, making the task for American diplomacy infinitely more complicated than it would have been a year earlier. Israel, I believe, was much more prepared immediately after Resolution 242 to adopt a flexible interpretation of the "territory for peace" formula than was the case in later years.

It is, of course, very possible that a more active U.S. effort in 1967–1968 would have run aground on Arab, especially Egyptian, refusal to move far enough toward recognition and peace to obtain Israeli withdrawal. Egypt had secured a mandate at the Arab Summit Conference in Khartoum in August 1967

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to seek a political settlement, but on condition there be no recognition, no peace and no negotiations with Israel. Taken literally, the "Khartoum formula" would clearly have precluded any settlement acceptable to Israel or the United States. One can argue, however, that Egypt's subsequent grudging acceptance of Resolution 242 superseded these constraints on the Egyptian negotiating position. It would at least have seemed worthwhile to probe more directly than we did in late 1967–68 for possible trade-offs between the Israeli position on peace and the Egyptian position on withdrawal from occupied territories.

After more than a year's futile effort by Ambassador Jarring, the United States began early in the first Nixon Administration to play an active role on the Middle East diplomatic scene. There followed three years of energetic and creative diplomacy, spearheaded by the State Department's Bureau of Near East and South Asia Affairs under Assistant Secretary Joseph J. Sisco. This was the period of U.S.-Soviet Middle East negotiations, Four Power Middle East talks in New York, the Rogers Plan of December 1969 (announced in a speech by Secretary of State William P. Rogers), and Egyptian-Israeli agreement in 1970 to an American formula for a standstill ceasefire along the Suez Canal and the initiation of an indirect process of negotiation between Egypt and Israel.

The ceasefire held, but nothing came of efforts to stimulate Egyptian-Israeli negotiations. Given the gaps between the positions of the two sides, reflected in particular in their respective interpretations of the "territory for peace" formula, the chances for success were at best a long shot.

Egypt, still suffering the trauma of its humiliating defeat in 1967, was not prepared to show any great flexibility in negotiations; Cairo looked to others, in particular the United States, to bring pressures to bear on Israel. The Israelis, for their part, feeling secure behind their Bar Lev defense line along the Suez Canal and the formidable installations they were building in Sinai, saw no need to compromise. They were also busy consolidating their position in the occupied West Bank and Gaza and the Syrian Golan Heights, to say nothing of East Jerusalem which, before the 1967 war, had been under Jordanian control and has the status of occupied territory under Resolution 242.

U.S. efforts to stimulate a negotiating process were further burdened by suspicions over Egyptian violations (with Soviet help) of the standstill provisions of the ceasefire, by a domestic debate in the United States over Israel's rejection of the Rogers Plan, and by efforts to link Israel's desire for new jet fighter aircraft to its responsiveness on the negotiating front.

With Nasser's death and Anwar Sadat's assumption of the Egyptian presidency in late 1970, a new opportunity opened for American diplomacy. Secretary Rogers visited the Middle East in June 1971. Building on signals sent forth by Sadat and Israeli Prime Minister Golda Meir, Assistant Secretary Sisco—in a precursor of Kissingerian shuttle diplomacy between Cairo and Jerusalem—put forth an American proposal for an "interim Suez Canal Agreement," an idea originally conceived by Israel's imaginative Defense Minister, Moshe Dayan. The objective was to bring about a limited withdrawal of forces from the Canal, which would then be reopened for international shipping.

The proposal failed, in part because Israel refused to agree to Sadat's condition that Egypt be allowed to station a token number of lightly armed forces on the Canal's Sinai Bank, and in part because Sadat insisted that Israel withdraw further from the Canal than would have been politically feasible for any Israeli government at that time.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ironically, this proposal, had it worked, would have produced a situation similar to that resulting from the 1974 Egyptian-Israeli Disengagement Agreement, with the differences that the number of Egyptian troops east of the Canal was far larger in 1974 than would have been the case under the 1971 proposal and, of course, that there had meantime been another Arab-Israeli war. The failed "Interim Suez Canal Agreement" may have been the last chance to avoid the October 1973 War.

V

The State Department's diplomatic efforts in the 1969–71 period took place against the backdrop of détente with the Soviet Union. They represented a prolonged swing of the pendulum within the State Department toward the concept that priority should be given to dealing with the issues of the Arab-Israeli conflict and that these should not be hostage to considerations of U.S. global strategy vis-à-vis the U.S.S.R.

During this same period, however, President Nixon's National Security Advisor, Henry Kissinger, had a different perception. Viewing American Middle East diplomacy as essentially a series of moves on the global chessboard of U.S.-Soviet relations, Kissinger was reluctant to press Israel, concerned that any concessions to the Egyptians would be seen as concessions to the Soviet Union.

Whether greater Israeli flexibility on withdrawal from the Sinai, the issue of prime importance to Egypt, would have produced Egyptian concessions toward peace with Israel in this pre-1973 war period must remain one of the unanswerable questions of history, since the effort was never seriously made. What is clear, however, is that without the kind of reciprocal concessions which became the essence of post-1973 war diplomacy, no movement would have been possible.

White House support for State Department diplomatic efforts in the 1969–71 period was, at best, limited—how limited was not fully realized at the time by many of us involved. With the pendulum of Middle East diplomacy swinging in one direction in the State Department, while the White House swung in the other direction, the latter effectively neutralized the former.[3]

President Sadat, more prescient than some of us in Washington, came to understand where the power lay. In 1972, he opened a direct channel to the White House, which bore fruit in two secret meetings in 1973 between his National Security Advisor, Hafiz Ismail, and Henry Kissinger. Through this and other actions (including the expulsion of Soviet military personnel from Egypt in July 1972), Sadat began signaling that he wanted to break with Nasser's policies, establish an American connection, and move toward a settlement with Israel. The hour was late. Washington was preoccupied with the final agonies of Vietnam, and Sadat already had an alternate course of action in play—preparations for the Egyptian-Syrian military offensive of October 1973.

Egyptian forces crossed the Suez Canal on the eve of the Jewish holy day, Yom Kippur, and managed in the weeks following to establish a bridgehead east of the Canal. An Israeli counterattack placed Israeli forces west of the Canal around the city of Suez. Neither had won a decisive military victory. On the northern front, Israeli troops moved closer to Damascus. The cost of the October War to both sides, the risks each perceived in a continuation of the fragile

[3] For detailed accounts of White House-State Department differences over Middle East policy, see Henry Kissinger, *White House Years*, Boston: Little, Brown, 1979, pp. 349–379, 558–593, and *Years of Upheaval*, Boston: Little, Brown, 1982, pp. 195–202.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

situation that existed when a ceasefire was achieved, and the danger of U.S.-Soviet confrontation created a situation ripe for renewed diplomatic efforts.

VI

The era of active, sustained and creative American Middle East diplomacy which followed the 1973 war was unprecedented in both its duration and its results. While Washington kept a wary eye on the Soviet Union during this period, and U.S.-Soviet issues from time to time cast their shadow over the area, our attention remained focussed for the ensuing five years almost exclusively on efforts to resolve the underlying causes of Arab-Israeli conflict. This prolonged swing of the pendulum was facilitated by a critical combination of circumstances.

Fundamental was President Sadat's decision to end the cycle of wars with Israel. Other Arab leaders, foremost among them King Hussein of Jordan, had long come to recognize the futility of the pre-1967 Arab goal of destroying Israel and the necessity of finding a basis for coexistence. None before Sadat, however, brought to the task the combination of ingredients that made this objective attainable: strategic vision combined with infinite patience and tactical flexibility; a willingness to enter a process of negotiations with no guarantee of the outcome; a pragmatic recognition of the limits on what was possible at any given stage of the process; a refusal to give other Arabs a veto over Egyptian policy; a stable and supportive domestic base following the restoration of Egyptian dignity and self-confidence in the 1973 war; and a strategy for courting American public opinion. Sadat based his policy unequivocally on a partnership with the United States. By effectively excluding the Soviet Union from the center of the Middle East diplomatic stage, he ensured that American attention would not be diverted from the core issues of the Arab-Israeli conflict to a pursuit of strategic alliances in the Middle East context.

Sadat's strategic vision was matched by that of Henry Kissinger, who perceived in the fluid situation created by the 1973 war the opportunity to alter fundamentally the frozen patterns of the Arab-Israeli conflict which had plagued the Middle East for 25 years and periodically confronted the world with increasingly threatening crises.

One of the first signs of change came during the U.S.-Soviet negotiation, in Moscow on October 21, 1973, of what became Security Council Resolution 338. Calling for an immediate ceasefire and the opening of negotiations for the implementation of Security Council Resolution 242, the draft included, at American initiative, the requirement that those negotiations should be "between the parties concerned," i.e., direct Arab-Israeli negotiations.

Hardly a novel idea in normal diplomatic situations, this was a significant breakthrough in the history of the Middle East conflict. Direct face-to-face negotiations with the Arabs had been an Israeli objective for years. Israel had other incentives to negotiate changes in its relations with its neighbors arising out of the trauma of near disaster in the 1973 war. But recognition of the principle of direct negotiations in Resolution 338 was important psychologically in preparing the climate for a fruitful season of diplomacy.

A process of negotiations was launched that led, through Kissinger's first historic meeting with Sadat in Cairo on November 6, 1973, to the three-day Geneva Middle East Peace Conference in late December 1973. This in turn set the stage for the shuttle diplomacy that culminated in the Egyptian and Syrian Disengagement Agreements of 1974–75.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The inclusion of Syria (although it boycotted the Geneva Conference) in the negotiating process was a significant reflection of the extent to which the United States during this period had come to view the Middle East in terms of regional realities and imperatives rather than in a predominantly East-West context. Both Sadat and the Saudi Arabian leaders urged Kissinger to deal with Syria. Having long (and incorrectly) viewed Syria as a Soviet client beyond the reach of American diplomacy, the United States came to recognize that just as Syria was part of the Arab-Israeli problem, it had to be part of the solution.[4]

The Egyptian and Syrian Disengagement Agreements required prodigious expenditures of time and effort for limited results, if results are measured only in terms of changes in the control of territory. Something much more fundamental had occurred, however. There had been a sea change in the conceptual approach to a solution of the Arab-Israeli conflict. The concept of blueprints for peace externally devised and imposed had been replaced by the concept of a process to be carried out in stages over time—a process of step-by-step negotiations in which the parties concerned would be directly engaged at every step. This process has been carried to its ultimate conclusion only in the case of Egypt and Israel, but it provides a model—in my view, the only viable model—for approaching an ultimate settlement of the conflict between Israel and its other neighbors.

The process produced Disengagement Agreements between Israel and Egypt and Syria—but then lost momentum. In retrospect, I believe a historic opportunity was missed. Had there also been a disengagement agreement with Jordan, the third party to the 1967 war, many of the setbacks that followed might have been avoided. While Jordan's claim to de jure sovereignty over the West Bank was never widely recognized internationally, the negotiating history of Resolution 242 makes clear that Jordan was the Arab party to which West Bank territory would be returned as part of a peace settlement with Israel. An Israeli-Jordanian Disengagement Agreement, however limited in territorial scope, would have established this principle and laid the groundwork for more far-reaching Jordanian-Israeli negotiations in the future.

Kissinger discussed the idea of a disengagement agreement with the Jordanian and Israeli governments in 1974, but it was never vigorously pursued. The question of whether or not to relinquish West Bank territory was (and remains) a divisive political issue in Israel, and the new Israeli government of Prime Minister Rabin, still in the process of consolidating itself domestically in 1974, was not prepared to confront the issue at that stage. In Washington, an American administration preoccupied with the Watergate crisis felt in no position to force an issue which inevitably would have had serious domestic fallout.

In the autumn of 1974, the Arab Summit Conference in Rabat, Morocco, recognized the Palestinian Liberation Organization as the only legitimate representative of the Palestinians, and therefore as the only party with an Arab mandate to speak for the Palestinians in the occupied West Bank and Gaza. Given Israel's refusal to recognize the PLO as a legitimate party to negotiations, the PLO's assumption of this role after Rabat loomed increasingly as a factor complicating all future efforts to find a formula for negotiating a West Bank/Gaza solution, down to and including President Reagan's September 1, 1982, initiative and its aftermath.

[4] This remains equally valid today, as we learned again in our tortuous and frustrating efforts in 1982–83 to negotiate a solution to the complex of conflicts in Lebanon.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A further factor complicating the U.S. role in the peace process has been a 1975 Memorandum of Understanding with Israel, committing the United States not to recognize or negotiate with the PLO unless it accepted Resolution 242 and recognized Israel's right to exist. This commitment was subsequently interpreted by successive American administrations as barring even exploratory discussions with the PLO. This was not the original intent. As a result, the United States has effectively been prevented from opening a dialogue with Palestinians who, however much one deplores the advocacy of terrorism and the hard-line position toward recognition of Israel by elements of the PLO, are widely recognized as a necessary element in any solution to the conflict.

It has long been my personal view that such a dialogue would have been an opportunity to exploit the latent divisions within the PLO, between those who advocate terrorism and reject the very idea of peace with Israel, and those who are prepared to take a more pragmatic and less extreme approach.

VII

The year 1977 was to become another watershed in the history of the Arab-Israeli conflict. As it opened, the Soviet factor in the Middle East remained a negligible consideration, and the pendulum of U.S. policy under the new Carter Administration continued to focus attention on seeking solutions to the root causes of the conflict.

In two respects, however, there was a significant shift of emphasis. The first was an attempt to move from the step-by-step approach pursued by Kissinger and to devise instead an approach to an overall settlement through a reconvening of the 1973 Geneva Conference. Simultaneously, the Carter Administration placed increased emphasis on the need to resolve the Palestinian issue. Secretary of State Cyrus Vance made a determined effort to obtain PLO agreement to a formula designed to satisfy the requirements of our 1975 agreement with Israel and thus make possible the opening of a direct U.S.-Palestinian dialogue. The PLO leadership, divided over how to respond, failed in the end to seize the Vance opening.

Efforts continued toward a Geneva Conference but bogged down over two basic issues: how to devise a formula for Palestinian representation acceptable to both Arabs and Israelis, and how to overcome differences among the Arabs themselves over whether there should be separate national delegations (favored by Egypt) or a single Arab delegation (favored by Syria). Despite helpful efforts by the government of Jordan to find ways of bridging these differences, they remained unresolved when President Sadat took unilateral action to cut the Gordian knot by his historic decision to visit Jerusalem on November 19, 1977.[5]

What followed is too well-documented to require great elaboration here, but it will be useful to highlight several lesser-known developments leading up to that dramatic event.

[5] A further factor which, while not decisive in Sadat's decision, may have figured in his calculations, was the conclusion on October 1 of a U.S.-Soviet agreement on principles to govern an Arab-Israeli settlement. This was done largely for reasons of U.S.-Soviet relations and did not seem illogical in those terms, since our objective then was to reconvene the Geneva Conference of which the U.S.S.R. and the United States were co-chairmen. It unleashed a storm of protest from Israel and its supporters in the United States, however, further clouding the prospects for engaging Israel in a reconvened Geneva Conference. Sadat, unlike the Israelis, welcomed the U.S.-Soviet Declaration, seeing it as supportive of efforts to reconvene Geneva and calling it a "brilliant stroke."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

President Carter, from his first meeting with Sadat onward, had impressed the Egyptian president with the argument that the Arabs could not expect Israel to withdraw from occupied territories for less than full peace and normal relations. An end to the state of belligerency, the most any Arab leader had been prepared to offer until then, would not be sufficient, Carter argued. There is no question that this argument, and Sadat's confidence in Carter, had greater impact on Sadat's thinking than many of us realized at the time, and influenced the evolution of his own thinking—to the point when he made his bold decision to go to Jerusalem.

Another critical development in 1977 was the accession of the Israeli Likud government headed by Menachem Begin. Just as Sadat's willingness to negotiate directly with Israel for peace, in the full sense of the word, was essential for successful negotiations, Israeli readiness to withdraw completely from all Egyptian territory as part of a peace settlement was equally essential. If Begin had insisted on the position of previous Israeli governments, that Israel would have to retain possession of security positions in Eastern and Southern Sinai, there would have been no settlement. It was Begin's willingness to make the bold decision for total withdrawal, combined with Sadat's bold decision to make total peace, that brought Egyptian-Israeli peace into the range of the possible.

Even so, the course of Egyptian-Israeli negotiations was difficult. Israel's prime objective was bilateral negotiations leading to an Egyptian-Israeli peace treaty. Sadat wanted the United States to put forth a framework for comprehensive peace which would engage other Arabs in the negotiations and, once sufficient groundwork had been laid, lead to a reconvened Geneva Conference. To that end, Egypt issued invitations to Israel, Syria, Jordan, the PLO, the U.N. Secretary General, the United States and the Soviet Union to a meeting in Cairo billed as a "Preparatory Conference for the Geneva Middle East Peace Conference."

Syria, Jordan, the PLO and the Soviet Union declined the invitation, but Sadat was not to be deterred from pursuing his initiative. In the absence of other Arab participants, Sadat seized upon the idea of negotiating a declaration of principles with Israel which would contain an Israeli commitment to the principle of withdrawal from occupied territories and to Palestinian rights sufficiently firm either to induce other Arab parties to enter negotiations or, if they did not do so, to relieve him of his obligations to them so Egypt could get on with the job of recovering Sinai. These efforts continued through the Ismailia Summit of Sadat and Begin on Christmas Day 1977, the Jerusalem Conference in January 1978, and the Conference at Leeds Castle, England, in July. The United States was a participant on all these occasions and in between in attempting to maintain the momentum of Sadat's Jerusalem trip.

As Ambassador at Large for Middle East negotiations during much of this period, I experienced firsthand the frustrations of trying to bridge the gap between Sadat's pursuit of a formula for comprehensive peace and Israel's pursuit of an Egyptian-Israeli settlement.

Such a settlement was clearly also Sadat's objective, but he wanted it linked to an overall settlement, thus avoiding the charge that Egypt had made a separate peace and sold out the Palestinians and other Arabs. By the summer of 1978 the euphoria of Sadat's Jerusalem visit had worn thin, and attitudes in Egypt and Israel had begun to sour to the point where Sadat decreed there would be no more talks between Egyptians and Israelis until Israel agreed to the declaration he had been seeking on principles to govern comprehensive peace.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This announcement was dramatically stage-managed by Sadat before the assembled news media, following one of Ambassador Hermann Eilts' and my meetings with him at his rest house near Alexandria. Its effect was to throw the ball into President Carter's court, following a pattern which had worked before and was to work again in Sadat's negotiations with Israel.

The result was President Carter's high-risk decision to invite Sadat and Begin to meet with him at Camp David. In that setting, Sadat was able to respond to U.S. proposals for compromise which he could not put forward as Egyptian proposals. While there were extremely thorny bilateral issues to be resolved, the problems that took the most of the Camp David negotiators' time had to do with Egypt's insistence on obtaining Israeli commitments with respect to withdrawal from other Arab territories, the Palestinian question and the status of Jerusalem.

VIII

Difficult enough under any circumstances, these issues were rendered particularly intractable by the fact that Mr. Begin's Likud coalition brought an interpretation of Resolution 242 quite different from that of previous Israeli governments. Whereas his predecessors had agreed that the principle of withdrawal from occupied territories applied also to the West Bank and Gaza, Mr. Begin's position was that withdrawal from Sinai would fulfill all of Israel's withdrawal obligations. This was consistent with the position he had held throughout his political life—namely, that the West Bank (Judea and Samaria) and Gaza are inalienable parts of the Land of Israel.

Given this Israeli position and Sadat's insistence on including in any agreement language that would protect Jordanian, Palestinian and Syrian rights under Resolution 242, the elements of an impasse were obvious. Begin's solution was to defer the question of sovereignty over the West Bank and Gaza and to propose that meanwhile the inhabitants of those areas be granted local autonomy.

This concept was eventually incorporated into the Camp David Accords under provisions calling for negotiations looking toward a five-year transitional period of autonomy for the West Bank and Gaza under a self-governing authority elected by the inhabitants of those areas. After three years at the latest, following establishment of that authority, negotiations were to begin with a view to determining their final status.

The Jerusalem issue was also deferred, with each party (the United States, Egypt and Israel) recording its position in separate documents accompanying the Camp David Accords. The Syrian Golan Heights were, at Israeli insistence, not mentioned by name, but the United States and Egypt interpreted reference in the Accords to Resolution 242 as applying the principle of withdrawal to the Golan Heights, the West Bank and Gaza, as well as Sinai. Israel did not. In effect, Camp David added a new dimension of ambiguity to that which had existed since 1967 in the "peace for territory" provision of Resolution 242.

Arab critics of Sadat and Israeli critics of Begin charge that each gave away too much to the other, under pressure from the United States. My own view is that the outcome of the 1977–79 Egyptian-Israeli negotiations represented the absolute outer limits of what was politically achievable at that time. If either side had insisted on substantially more, I doubt there would have been either agreement at Camp David or an Egyptian-Israeli peace treaty. That treaty stands today as the one new and, I believe, irreversible reality in the 30-year Arab-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Israeli conflict. Without it, the prospects for a comprehensive peace in the region—dim as they may seem today—would be infinitely more distant.

Both sides had, however, paid a price that was to haunt them later. For Begin, the most painful decision was to remove the settlements Israel had established in Sinai. Sadat, for his part, had to agree to a dilution of the linkage he had sought between the Egyptian-Israeli Treaty and Israeli commitments to a solution of the Palestinian problem and withdrawal from other Arab territories.

Neither Jordan nor the Palestinians accepted the Camp David invitation to join the negotiating process it established, and Syria (along with other Arab governments) rejected it outright. From mid-1979 until the Israeli military move into Lebanon in June 1982, a series of able and dedicated negotiators for Egypt (representing Jordan and the Palestinians without their mandate), Israel and the United States worked to hammer out the elements of an autonomy agreement for the West Bank and Gaza. Despite considerable movement on a number of sub-issues, their inability to reach agreement on key points revealed how far apart the parties were, conceptually, in their interpretations of the Camp David provisions for autonomy and self-government.

The credibility of the Camp David process was weakened from the outset by what turned out to be a serious difference between Israel and the United States over an understanding President Carter and his negotiators thought had been reached with Prime Minister Begin in the final hours of the negotiations. The issue was Israeli settlements in the occupied territories. The United States believed it had an Israeli commitment to freeze further settlement activity for the duration of the negotiations, including those related to autonomy and self-government for the inhabitants of the West Bank and Gaza. Indeed, as Middle East negotiator, I was authorized to assure Palestinian and other Arabs with whom I met that Israel had made such a commitment. This assurance more than anything else I said in the immediate post-Camp David period caught Arab attention and interest.

Begin, on the other hand, insisted he had agreed to freeze settlements only during the three-month period allotted for negotiation of the Egyptian-Israeli Treaty. While I was not present during President Carter's negotiation of this "understanding" with Begin, my subsequent attempts to piece the story together lead me to think that this was a case of genuine misunderstanding rather than bad faith. In any event, the damage had been done. The Arabs saw a long-term settlement freeze as the touchstone of American credibility. When Israel resumed its settlement activities, our credibility suffered a serious blow which still haunts us today.

IX

The atmosphere of Egyptian-Israeli relations, already strained during the final Israeli withdrawal from Sinai in April 1982, cooled markedly through the summer of Israel's military operations in Lebanon and remains cool today. When one adds to this the shock waves which the prolonged Lebanese crisis has sent through the area and the turmoil in the Palestinian national movement, it is hard to be optimistic about a resumption of the Camp David autonomy talks as they existed in 1979–81.

The prospects are further clouded by concern that the Iraq-Iran war may spread instability across the Persian Gulf into the periphery of the Arabian Peninsula and further westward. Islamic fundamentalism in its more extreme

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

forms, of which Iran today is the principal manifestation, is the implacable enemy of peace with Israel. It would be ironic if the influence of these new currents in the Muslim world were to gather sufficient strength to inhibit Arab governments just when more of those governments than ever before are prepared to consider new opportunities to rejuvenate the peace process.

At the same time, the United States has been obliged to shift its attention to the Soviet factor in the area. The overthrow of the Shah of Iran, the Soviet invasion of Afghanistan and growing threats to stability in the Persian Gulf area have led to increased emphasis on the need to strengthen U.S. military capabilities in the Middle East.

In the final months of the Carter Administration, the pendulum of U.S. policy began to swing toward preoccupation with the Middle East as an arena of U.S.-Soviet confrontation. When the Reagan Administration took office, it initially placed emphasis upon the need to forge a "strategic consensus" among the states of the area against the Soviet threat. This emphasis was subsequently modified to describe the search for strategic consensus and for an Arab-Israeli settlement as "mutually reenforcing." But memories in the Middle East are long, and suspicions run deep. Concerns began to emerge in the Arab world that American peacemaking efforts would take second place in U.S. priorities, particularly when we began to speak of "strategic cooperation" with Israel.

This does not mean that Arab governments are unconcerned about the threat from the Russians. They are much more worried about the Soviets today than in the 1950s when our call for allies against international communism fell on deaf ears. We have military arrangements with some Arab governments that would have been unheard of 20, or even ten years ago. By and large, however, the Arabs are reluctant to have an overt military relationship with us. This is in part due to concern that such a relationship will be perceived as bringing them into a de facto alliance which includes the Israelis, before there has been a resolution of the territorial and other aspects of their conflict with Israel. That, in their view, would be putting the cart before the horse.

With President Reagan's announcement of a new peace initiative on September 1, 1982, the pendulum of U.S. policy again swung back toward a renewed focus on the need to resolve the Palestinian and other aspects of the Arab-Israeli conflict. It is disappointing that Israel rejected this initiative. It is also disappointing that Jordan and the Palestinians failed to respond to this American invitation to enter negotiations.

Part of the reluctance of moderate Arabs to enter U.S.-sponsored negotiations comes from a deep-seated conviction in the Arab world that the government of Israel is not prepared to negotiate the kind of peace settlement they believe the "territory for peace" formula of Resolution 242 envisages. They, too, have heard the Likud government's interpretation of that resolution. But the reluctance of moderate Arabs to put these issues to the test of negotiations is also a result of their own weakness, of an unwillingness to expose themselves to the attacks of the Arab rejectionists—at least without surer prospects that the negotiations will result in Israeli relinquishment of control in the occupied territories.

Finally, Arab reluctance reflects an erosion of confidence in the United States. They have seen our inability to find a solution in Lebanon, and they have seen that three years of negotiation on West Bank/Gaza issues did not produce the results we said Camp David would bring. In brief, they have seen the pendulum

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

swing in one direction and then another, and they have sensed our ambivalance about defining our priorities and assuming the political costs that pursuit of our interests and objectives might involve.

x

When all is said and done, I believe the United States remains the best hope for helping the nations of the Middle East find a peaceful future. I believe, further, that most of the leaders in the area know this in their hearts. Despite past disappointments, expectations are high in the Middle East that Washington will once again take the lead in the peacemaking process after this year's national elections in Israel and the United States.

It is not too soon for us to start thinking now about the policies we will pursue in the new year to protect U.S. interests and achieve U.S. objectives in the Middle East—those historical constants outlined at the beginning of this reconsideration. As we do so, it is important to keep in mind what seem to me the principal lessons to be learned from our experience of the past three decades of U.S. involvement in the Middle East.

—First, we cannot ignore the threat the Soviets pose to our interests in the region. It is important to have a credible military deterrent capability.

—Second, military credibility without political credibility is of limited value. Today it is American political credibility above all that is at stake in the eyes of moderates in the Arab world, of those states which historically have cast their lot with us and without whose cooperation our ability to project military strength in the region would be severely restricted.

—Third, we cannot therefore permit a preoccupation with the military aspects of our posture, or with East-West issues, to obscure the reality that in the end only a resolution of regional conflicts will ease the tensions and lessen the risks of instability which the Soviets exploit, directly and indirectly, to our detriment.

—Fourth, while recognizing that the Middle East is not a one-issue area, we need to establish our priorities more firmly. Failure to resolve the Palestinian-Israeli and the larger Arab-Israeli conflict remains the potentially most destabilizing factor in the area. Its solution will not solve all the problems of the Middle East, but the history of more than 30 years shows that failure to tackle this issue resolutely will make all the other problems of the region infinitely less manageable.

Not for the first time, pursuit of an Arab-Israeli settlement will require tough decisions by all those with a stake in the outcome of this effort.

For the moderate Arabs, it will require a decision to come to the negotiating table and a determination to avoid past mistakes—above all, the mistake of insisting on all-or-nothing solutions and on having the outcome of negotiations guaranteed before negotiations begin. It will require assuming responsibility for the solution of their own problems and not looking to others to impose solutions for them. Finally, it will require recognizing that 1985 is not 1967 and certainly not 1948, and that the simpler, cleaner solutions which might have been possible earlier are not possible today.

For Israel, the pursuit of peace will require recognizing that the choice is between retaining exclusive control of the occupied West Bank, Gaza and Golan Heights—which in my view will render a stable Middle East peace unattainable

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for the indefinite future—or working toward a solution which accepts the basic concept of "territory for peace" embodied in Resolution 242.

If Israel were again prepared to take that concept as a point of departure, and if the Arabs were prepared to make the hard decisions facing them, it should not be beyond human imagination to devise arrangements that would take into account the changes that have occurred since Resolution 242 was passed. Such arrangements would need to deal *inter alia* with questions of security for both Israel and its neighbors, with the roots Israel has put down in the occupied territories through the establishment of settlements there, and with the needs of peaceful intercourse.

Some look for a model to the Egyptian-Israeli Treaty, where the "territory for peace" formula of Resolution 242 was in fact implemented in its original, literal sense. In my view, a better model for future negotiations would be that outlined in the Camp David provisions for a Palestinian settlement. Camp David's concept of interim and transitional arrangements, and of a process to be negotiated in stages over time, would seem more suited to present realities than an approach which sought agreement on a final solution of all the issues in dispute at the outset.

For the United States and our allies, the task will be to persuade our Arab and our Israeli friends to face up to the choices confronting them now—not those of 1967 or 1973. The task will be to persuade both sides that the objective is to enter a genuine give-and-take negotiating process, in which neither can achieve all it seeks. This will require changes in the mindsets that presently dominate both Arab and Israeli thinking—the Arab mindset which is still fixed on the 1967 interpretation of Resolution 242, and the mindset in Israel, where a whole generation has grown up since 1967 for whom Resolution 242 belongs to an earlier era.

This is a formidable task. It may even prove to be an impossible task, but it seems to me the alternatives are so threatening that we have no choice but to take it on.

Fortunately, we can start with certain things going for us. First, there is peace between Egypt and Israel which provides a window of time without the threat of another major Arab-Israeli war. Egypt can play a positive role in encouraging the other Arabs to negotiate, and success in those negotiations could only work to consolidate the peace between Egypt and Israel. Without progress, that peace—solid as it remains today in the fundamental commitments of both parties—will inevitably be subject to continuing stresses. Second, there remains in the area a broad belief, however much confidence in the United States may be shaken at the present time, that only the United States can help the region find its way to a better future. In a situation of many uncertainties, one thing is unmistakably clear. Without an active, determined and objective American role, no matter how extended and politically difficult that role may be, there will be no solution to the Middle East's most intractable regional conflict. And without a solution, the costs of protecting U.S. interests in the Middle East can only become increasingly burdensome and may some day become prohibitive.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

William P. Bundy

THE LAST DOZEN YEARS: WHAT MIGHT WE LEARN?

This article is a reflective look at the period from mid-1972 and early 1973 to the present, in terms of the evolution in the world situation and the course of U.S. foreign policy during these years. It has been, I believe, a time of marked deterioration in the overall world outlook, and the performance of the United States, as a nation, in the foreign policy arena has been at best mediocre—with only limited exceptions.

It is always arbitrary to assess foreign affairs from one date to another: foreign policy is a continuous process, always coping with the legacy of the past and with the future still uncertain. Yet these 12 years have surely been a particularly important and disturbing time—that they happen to coincide with my tenure as Editor of this magazine is relevant only in that it has made my own sense of the contrast between 1972 and 1984 particularly vivid. At least in terms of exposure to thoughtful and informed observers both here and abroad, this editorship is a remarkable vantage point, from which one tries always to be guided by an overriding concern for world trends and U.S. national performance—so far as possible beyond personal intellectual preference or partisanship.

I hasten to add that this article is not in any sense in the spirit of "we told you so"—that if only leaders and molders of public opinion had read *Foreign Affairs* carefully, U.S. policy would have avoided the errors and miscalculations that beset the period. On the contrary, while articles in these pages have often contained prescient and significant analysis and prescription, our contents have also missed the boat and misread events many times. Practically the last words my predecessor Hamilton Fish Armstrong shared with me—speaking of a book he had just read—were: "It could have been better." It could indeed have been vastly better.

To many, two dominant events operated to hamper or even cripple U.S. foreign policy during these years: the Vietnam War and its legacy, and the Watergate scandal of 1972–74, whose aftermath likewise carried over in many specific as well as general ways. As one who participated in policymaking at critical periods of the Vietnam tragedy, I may not be the best judge of its impact; surely it contributed mightily to the loss of the broad consensus on foreign policy that had prevailed from about 1950 to 1967, and to deep divisions in both informed and broader public opinion and, to a marked degree, between generations. The "post-Vietnam syndrome," alas, is still very much with us: I well recall a remark by Henry Cabot Lodge, in the late 1960s, that if we were to fail there the impact on our future behavior would be lasting and terribly serious. Later, Watergate further undermined faith in government, especially among the young, and at least briefly seemed to exert an almost paralyzing effect on foreign policy.

William P. Bundy has been the Editor of *Foreign Affairs* since October 1972. From 1951 to 1969 he served in various government positions concerned with foreign policy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Both will be mentioned frequently in these reflections. Yet one must take care not to exaggerate their impact. As the coach of the New York Islanders said after his injury-ridden hockey team had lost the Stanley Cup: "I'd like to have had my team healthy. I'm not saying it would have been different, it might have been interesting."

Likewise, one could go at the subject heavily in terms of senior personalities and their interaction, or by looking especially for "break-point" decisions. Conceding the importance of both, I have deliberately omitted them almost entirely, concentrating rather on what might be called "generic" elements in the handling of U.S. foreign policy in what has truly been a "time of troubles."

Thus, this is less an essay in historical causation than it is an attempt to raise key questions, three above all: First, what have been the major trends in the world? Second, what have been the major challenges to U.S. policy? Third, how well have these been met?

II

Let us start by reviewing briefly the situation as it stood, or at least was perceived, in the late months of 1972 and at the beginning of 1973. In 1972, as in 1984, a Republican President was seeking reelection from a strong position while Democrats wrestled with the choice between a "traditional" nominee and a new face. Then, as now, the U.S. economy had passed through visible trouble and was apparently headed upward. But there the resemblance ends abruptly. To summarize highlights of the situation in late 1972 and early 1973:

1. With the Paris Agreements of early 1973, organized U.S. military forces were quitting Vietnam, leaving a South Vietnamese regime with at least the possibility of survival—even though the peace agreements (inevitably, I believe) had left North Vietnamese forces in the South.

2. A dramatic breakthrough in U.S.-Chinese relations had just ended 22 years of Sino-American separation and brought the weight of China to bear, at least in a limited way, in what was portrayed (and widely perceived) as a new and much more tenable world balance of power.

3. Détente, and with it Ostpolitik, had come into effect through the signing and ratification of the SALT I agreements and a whole range of other understandings—with the strongly expressed official view (again widely shared) that these would over time develop a network of ties that would moderate Soviet behavior and ease the rivalry of the superpowers and East-West relations generally.

4. On the economic front, an almost fevered prosperity was the general rule in 1972 in the United States, among the industrialized nations and indeed globally. The Dow-Jones Index crossed the 1,000 mark in early 1973 (the equivalent of roughly 2500 today), the dollar was dropping but not a source of felt concern, U.S. inflation was at six percent and oil at $2.46 a barrel. (It was widely considered alarmist when James Akins wrote in our April 1973 issue that "The 1970 State Department projection that prices would rise by 1980 to $5.00 per barrel may now be on the low side.")[1]

5. In the Middle East—as I vividly recall from an orientation visit there in the spring of 1972—there was a state of uncertain peace after the 1967 war and the convulsions of 1969–71. Israel that spring seemed confident and assured, heavily

[1] James E. Akins, "The Oil Crisis: This Time The Wolf Is Here," *Foreign Affairs*, April 1973, p. 479.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

preoccupied with digesting waves of Soviet immigrants, with Prime Minister Golda Meir (in a memorable interview) tough on the Sinai problem but clear and categorical that Israel must withdraw from most of the West Bank—and that she would be prepared to negotiate to that end when the Arab side was ready to abandon the negatives of the Khartoum Declaration of 1967. Then Anwar Sadat expelled the Russians from Egypt in July 1972 and at once sounded a new note.[2]

6. In NATO, there were few serious divisions and no dramatic worries about military posture or strategy—though the condition of the U.S. Army in Europe, as elsewhere, was at a post-Korea low in morale and effectiveness.

7. Japan was in full stride, moving to its own normalization with the People's Republic, including full diplomatic relations.

8. Africa offered Washington no major worries, and the 1969 policy of the Nixon Administration—then just becoming known—to work with the white regimes of Southern Africa and bet on their continuation was attacked only by liberals on the question of principle.

9. In Latin America, Chile was the chief concern, with the United States apparently pursuing a cool and correct policy toward Salvador Allende. Cuba, after its unsuccessful foray into hemisphere subversion in the 1960s, seemed preoccupied with domestic difficulties.

10. On the problem of security in the Third World, the Nixon Doctrine had been proclaimed, calling for a more limited U.S. rule in support of threatened nations and relying more heavily on strong regional powers—notably the Shah's Iran in the Middle East. Armed conflict in the Third World was at a low level.

11. Terrorist violence had in 1972 reached crisis proportions in Northern Ireland, and in a notable atrocity Palestinians killed members of Israel's Olympic team in Munich. But both seemed to be more new chapters in ongoing conflicts with deep political roots than evidence of terrorism on a wide or mindless scale.

12. Within the United States the power and prestige of the President were high, matching previous post-landslide levels in 1964 and 1956. I recall one discussion in early 1973 in which a leading Congressman was thought heretical when he argued that the pendulum would swing back and the Congress again be heard from, if only because of its power of appropriation.

Finally, an important sector of informed opinion thought that, with the opening to China and détente, much more attention could and should be directed to wider global problems. In particular, there was new international cooperation and concern over the environment (with the Stockholm Conference of June 1972), and an accompanying international focus on problems of food, population and the Law of the Sea.

This was the picture as perceived. Obviously it was not as good as it looked—even then. But I well recall the difficulty of a novice editor in drumming up manuscripts and trying to assess what issues might emerge that could be of major significance. For the most part it was a time almost of intellectual calm, with controversy muted by the apparent success of the Nixon Administration and by what generally appeared hopeful prospects for a change in focus in the rest of the 1970s and into the 1980s.

Turn now to the situation in 1984. There is little need for a parallel listing—going through these headings, readers can frame their own comparisons to the present. On only two of these 12 headings—U.S. relations with China and

[2] Anwar el-Sadat, "Where Egypt Stands," *Foreign Affairs*, October 1972, pp. 114–123.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Japan—is the situation nearly as favorable today as it seemed in 1972; and even there the U.S. relationship with China has gone through marked ups and downs and that with Japan has become beset with economic frictions. Yet both remain pillars of U.S. policy in East Asia, the one region in the world that might today be counted a success story in these 12 years, certainly in economic progress and at least relatively in terms of international conflict.

For the rest, the picture today is one of dashed hopes and of new or renewed fears. I do not suggest that it is one of unrelieved gloom—hundreds of millions of the world's people are today living significantly better than they were then and there have been great strides in science and technology that have opened up new vistas for the future.[3]

But if one looks at the security situation of the world today, one sees three ongoing wars that are in effect beyond any external control—Iraq-Iran, Afghanistan and Kampuchea—and two serious conflict areas, Central America and Lebanon/Syria/Israel, that are in effect war situations; each of these could readily become worse or spread. The degree of U.S. and multilateral leverage in limiting such conflicts or bringing them to an end has dropped sharply during these dozen years. Moreover, in sharp contrast to the hopes of 1972 and mid-1973, conflict-prone rivalry between the two superpowers has not only failed to decline but has seen a series of semi-confrontations as well as perceived Soviet "gains" that have made both superpowers much more tense and inclined to see not only their interests but their prestige involved.

In this respect the situation is all too forbiddingly reminiscent of that which prevailed in the period prior to 1914—a parallel vividly drawn by a young professor, Miles Kahler, in a seminal article, "Rumors of War: The 1914 Analogy," in our Winter 1979/80 issue. That article had rather extraordinary resonance, especially with Chancellor Helmut Schmidt and a wide circle in the ever-sensitive Federal Republic of Germany; since then a sub-parallel between the Balkans prior to 1914 and the Middle East today has struck many.

And there has been—again as in the period before 1914—a renewed and intensified arms race between the superpowers themselves, as well as a much-increased spread of what might be called "regional arms races" in much of the Third World. Soviet military improvements have covered the whole spectrum of capabilities—nuclear, major conventional, a whole new scale of naval power (as with Germany between 1895 and 1914), and new "outreach" capacity to transport at least limited forces to areas previously beyond the reach of direct Soviet power. In the last few years the United States has responded with its own massive buildup, involving both nuclear and conventional forces but with a heavy stress on the nuclear side.

Today there are high levels of concern, both abroad and in the American public, that a nuclear war may be more likely than it has appeared at any previous postwar time. Similar fears existed at the time of Korea, the Berlin crisis of 1958–62 and notably the 1962 Cuban missile crisis, but in each case only for relatively short periods. Now the fear is more enduring and pervasive: the fact that there is no clear picture of how or where a superpower confrontation leading to a nuclear exchange might come about may indeed make the situation more dangerous than at times when there was a highly specific focus of crisis.

[3] See, for example, Richard Critchfield, "Science and the Villager: The Last Sleeper Wakes," *Foreign Affairs*, Fall 1982, pp. 14–41, and Lewis Thomas, "Scientific Frontiers and National Frontiers: A Look Ahead," *Foreign Affairs*, Spring 1984, pp.966–994.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In sum, the world of 1984 is in a much more dangerous condition than it was in 1972–73. The very first "lesson" of the period is that this has been the trend and is the present reality. Nor is the concern merely reflected in polls: it is, at least in my observation and experience, deeply felt by a great many leaders and professionals, though their worries are often expressed frankly only in private.

A second highlight of the situation today is a highly uncertain economic situation. In the industrialized nations the virus of "stagflation" has been a hallmark of these 12 years—in striking contrast to the generally steady progress of the 1950s and 1960s—and while great progress has now been made in reducing inflation, the prognosis is at best cloudy. In key middle-income countries, notably in Latin America, there is a massive and basically unresolved debt crisis with immense potential both for alienation from the lending industrialized countries and for internal political turmoil and temptation to external adventure. And in the poorer developing countries there is little sign that they can make the jump achieved by the middle-income countries (largely in this period), while resource transfers from the industrialized countries are declining both in relative terms and in terms of the scale of the problem.

Here, while all parallels are rough, that of 1929–39 is bound to come to mind. While it was not just the Great Depression that brought on Hitler, a seriously unsatisfactory economic situation both feeds the impulses that lead to war and drastically weakens the capacity to act of those nations who might resist or deter such impulses.

It is of course unrealistic to compare the economic performance of the United States and of the world between 1972 and 1984 with the Great Depression. By any objective economic index, the situation has been much more a case of blasted hopes and expectations than one of absolute and desperate decline. There is no Hitler in sight in the industrialized world, or for that matter in the Third World—although the nations in the latter have, perhaps inevitably at this stage of their history, spawned a fair crop of extremely unattractive leaders, including the likes of Qaddafi. So far, at least, truly extremist and aggressive leadership is rare, and where it exists the reasons are only partly economic.

Yet the connection between economics and war prospects is surely strong today. While economic limitations have not constrained arms races significantly, the overall economic situation has had a visible and marked effect on factors central to peace prospects—notably the cohesion of NATO, and the capacity and above all the will and focus of the United States itself. The point can be put rather tersely: if the industrialized nations today had the economic growth and buoyancy of the 1960s, and if the middle-income countries of the Third World were today progressing as they did for much of the 1970s, the dangers of conflict would be significantly less.

So a second basic "lesson" of the last dozen years is that economics are absolutely critical—to the capacity and will of individual nations (above all the United States itself), to the relative standing of nations in terms of power in all its aspects, and as just outlined, to the danger of spreading conflict and even major war. The point may seem obvious, but anyone close to U.S. foreign policy during the 1950s and 1960s must well recall how much the economic side was taken for granted. On rare occasions it played a crucial part in major decisions—I well recall, for example, how a new Republican President in 1953 sharply reduced the defense budget and conventional-force program of his Democratic predecessor largely because of his deeply felt belief that the foundation of U.S.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

power was economic strength. But for the most part those who framed foreign policy and its Siamese twin, national security policy, operated on the basis that the United States could do whatever had to be done. When it came to the Vietnam War, budget and economic constraints entered the picture only late in the day under grave pressure (specifically, in March 1968): there was no John Maynard Keynes to remind us constantly of the consequences of not paying currently for wars—though William McChesney Martin tried valiantly—and many economists would trace the onset of inflation in the United States to that neglect. Now we know—or should know—better. Economic health *is* the root of national power, and international economic policy can further or erode U.S. relationships not only with its allies but with other nations throughout the world.

III

If these are the most basic conclusions concerning the last 12 years, what of more specific major challenges to U.S. policy and the handling of these?

In this category, the very first set of national decisions—in chronological terms alone—was surely those concerning energy and particularly oil. The profligate energy habits that had developed between 1950 and 1973, notably in the United States but also to a high degree in most industrialized countries, are themselves an important story, but one that belongs to earlier periods. The question is how the United States and others responded to the oil crisis when it became dramatically visible in the fall of 1973, with OPEC by then in the saddle and the "oil weapon" a major factor in Sadat's decision to launch the fourth Arab-Israeli war.

If anything could have brought home the gravity of the new situation, surely the oil embargo and fourfold oil price rise of 1973–74 should have done so. Yet the honest fact is that—lulled by the subsequent recession that for a time eased the real growth in oil prices, and aroused again only by the second oil crisis that followed the Iranian Revolution—the United States never developed more than bits and pieces of an effective oil policy until at least the spring of 1979. Then what in hindsight may seem to have been the obvious solution was finally adopted—moving to market prices while cushioning their distribution effects by the windfall tax. Verily, in the biblical phrase of Walter Levy, these were "the years that the locust hath eaten."[4]

That the result was devastating in domestic terms alone has surely been self-evident. But even now the foreign policy impact may not be fully grasped. How individual nations dealt with the crisis surely made an enormous difference in the trends of their relative power during the decade of the 1970s—Japan, notably, adjusted with great success, earning a grade of A; so did many of the new middle-income countries; the European nations may have deserved a B minus; but the ratings one would assign to the United States itself, or to international cooperation (almost as a direct result of the U.S. performance), would surely be no higher than C minus. This is not to say that there could have been a "quick fix"; but the fact that for years the United States did not even come seriously to grips with the problem was an enormously important component, I would submit, in a renewed decline of respect abroad for U.S. policy and wisdom, in addition to its specific economic impact.

[4] Walter J. Levy, "The Years that the Locust Hath Eaten: Oil Policy and OPEC Development Prospects," *Foreign Affairs*, Winter 1978/79, p. 305.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The reasons for that failure need a harder look than I have seen anywhere. Surely there was initially a serious failure of leadership—with Watergate a factor, for example, in President Nixon's statement in the spring of 1974 that "the oil crisis is over." Successive Administrations failed to face up to the twin problems of framing a sensible policy and selling it to an American public addicted to its energy habits, habitually inclined to pursue scapegoats (who, as always, were not by any means absent), and above all unwilling to face the application of market forces. (In this last respect, the Democratic Party shared deeply in the responsibility.) True, it would have taken an extraordinary demonstration of presidential leadership, a much more solid debate that might have revealed a substantial degree of agreement among those truly familiar with the situation, and an educated public response—but this cannot obscure the conclusion that our national performance on this front was lamentable.

Since 1980, the problem has receded, at least from the headlines and from official attention. That market forces must play a central role is now widely accepted, and it is largely because of those market forces that we have seen the present and prospective role of nuclear power dwindle, with Three Mile Island a special factor. But national energy policy—for which surely there remains an important role—is today in the doldrums; its future is murky even if a new convulsion in the Middle East can be avoided.

In sum, there is a big and important lesson here that is still only marginally addressed or grasped.

As to what we have learned during these 12 years about international economic cooperation, William Diebold's brilliant historical review a year ago remains persuasive.[5] By comparison with the 1920s and 1930s, the industrialized nations have cooperated remarkably to this point. By comparison to the creative late 1940s, the record is mediocre. And by comparison to the needs of the situation, the present structure and degree of cooperation surely fall well short. At least one can say—in contrast to energy—that the problems are being addressed constantly, responsibly and voluminously, as even the samples in *Foreign Affairs* attest. But even broad answers that can command a consensus have yet to emerge.

IV

Let us turn next to the Middle East, in small part for chronological reasons but more basically because it played a dominant role for much of the period and is today surely the foremost area of concern and danger. Each of the three American Administrations that operated for four years each in this period started with a "game plan" in which the Middle East was only one of many concerns. Yet each successively found itself drawn, to almost obsessive degree, into crises there—the 1973 war and ensuing peace efforts, the 1978 Iranian Revolution and then the seizure of American hostages, and the 1982 Lebanon war and its aftermath. The Arab-Israeli conflict and efforts to resolve the Palestinian issue run like a thread through all three Administrations, and from 1977 on were further complicated by the advent in Israel of a Likud regime dedicated to permanent control of at least the West Bank and Gaza. In 1982 the Arab-Israeli conflict in effect merged with simmering civil war within Lebanon, and since

[5] William Diebold, Jr., "The United States in the World Economy: A Fifty Year Perspective," *Foreign Affairs*, Fall 1983, pp. 81–104.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

late 1980 Iraq and Iran have been locked in a war that now threatens the neighbors of both, as well as the flow of oil from the Gulf.

The Arab-Israeli problem and that of Iran are of course very different, with the operative factors in each largely independent of the other—at least until very recently, when the element of Islamic fundamentalism may have brought the two closer. As to the former, the basic problem has been, as since 1948, getting Israel accepted, settled down and at peace with the Arab world—in hindsight a more formidable undertaking than even doubters then foresaw. In the latter, the fall of the Shah symbolized the generic problem of American support for a friendly authoritarian regime that goes sour, recalling Chiang Kai-shek and Ngo Dinh Diem at earlier times, Anastasio Somoza more recently, and Ferdinand Marcos today. Yet it had special features including—like the 1973 Arab-Israeli war—a direct connection to the oil crisis.

At each successive stage on the Arab-Israeli front, U.S. policy faced controversial and difficult decisions. Notable examples were the 1973 decision to force an armistice before resurgent Israeli forces could complete a military defeat of Egypt, and the 1982 decision (of much the same character) to pressure Israel to limit its gains to expulsion of the PLO apparatus from Lebanon. Each has been sharply criticized and second-guessed by many Israelis and by supporters of Israel; it is my own judgment that the first was extraordinarily farsighted and wise (negotiations do not thrive on humiliation) and the second virtually inevitable, especially given Menachem Begin's failure to consult the United States on a whole series of occasions.

Likewise, the negotiating history is full of debatable decisions. One, little noted at the time, was surely the failure to move quickly to negotiations between Israel and Jordan over the West Bank in June 1974, after the initial withdrawal agreements with Egypt and Syria had been completed and before the Rabat decision of November 1974 that supplanted Jordan by the PLO as the Arab-designated negotiating partner on that area.

The Camp David agreements of 1978 raise other questions: I am inclined to believe that this was the best approach possible and that the results were as much as could then be obtained—even a cool peace between Israel and Egypt was worth a lot. While the record indicates that President Carter simply failed to nail down what he thought was a firm commitment from Begin for a moratorium on settlements in the West Bank, my own hunch is that Begin would in any event have found some excuse to resume the creation of settlements—in an overall deal that always gave him the power to hold American policy hostage to the completion and full implementation of the treaty with Egypt.

And, most recently, there has been the melancholy history of President Reagan's initiative of September 1982. Could this have been separated from the issue of Syrian and Israeli withdrawal from Lebanon, or might Syria have been less obstructive if it had been brought earlier into negotiations? My own answers are negative in both cases, but contrary views are strongly held.

So, there has all along been ample room for second-guessing. But the twin roots of the problem have always been Arab rejectionism and its strength at any given time, on the one hand, and since 1977 the resolve of Likud governments to control the West Bank permanently—in an Israeli political situation deeply affected by the initial defeat of 1973 and by understandable security concerns, as well as by important demographic changes. As one looks back, the tragedy all along has been that at times when one side might have been ready to compromise,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the other was not. And, while U.S. policy over the years has had some responsibility for Lebanese events, the instability there is almost ingrained and the country bound to be a morass for outsiders.

Yet it is hard to draw enduring or broad lessons from this compound unfolding tragedy. Certainly, given the U.S. moral commitment to Israel—a commitment strongly supported by the American public (and by this writer)—I see no way for the United States to have avoided becoming totally involved at every stage. What may be more important today is to recognize the degree to which that involvement has come to affect not only the attention but the resources for other foreign policy concerns, as well as attitudes within the United States itself.

In recent years there has grown up an extraordinary combination of dependence and independence in Israel's relationship with the United States. On the one hand, Israel, even when it is momentarily at peace, cannot sustain itself without vast infusions of American aid—and is at the same time now threatened by new levels of Arab military power that render uncertain its future ability to defend itself alone as it did in 1948, 1967 and 1973, at least without unacceptable losses. On the other hand, there have now been repeated examples of independent Israeli action, with the future uncertain under the present vague agreement for "strategic cooperation."

More broadly, few outside the Administration, the Congress, and those who work to influence both may today be truly aware of the degree to which American aid to Israel—and the parallel aid to Egypt to which the United States committed itself in the withdrawal agreements of 1974–75—have preempted the resources once available for the wide and in my judgment largely effective foreign aid programs of the Eisenhower and immediately succeeding Administrations. This is not to say that Congress, let alone the public, would today be prepared to appropriate the kind of resources for those programs that were made available in earlier periods. But it is surely striking that aid to Israel and Egypt now accounts for more than one-third of the total U.S. bilateral foreign aid program.[6]

That is one measure of the scale of the preoccupation of U.S. foreign policy with this issue. No one can suppose that if by some miracle Israel and the Arab states were to reach agreement tomorrow on a settlement or a clear path toward one, the Middle East would then become stable. Its postwar problems were always enormous, and the catalog of local conflicts and internal convulsions would have been a long one in any event—witness only the Iranian Revolution and the Iraq-Iran war, which in terms of human loss may now have become the largest military conflict of the postwar period.

Yet if we have learned anything in these last years, it must be that anything resembling a "strategic consensus" in the area on threats to security—from whatever quarter, including the Soviet Union or those with Soviet ties—will remain extraordinarily difficult to achieve so long as the Arab-Israeli problem continues to fester and grow worse.[7] Moreover, the significant differences

[6] The estimate figures for Fiscal 1984 must be adjusted to reflect the fact that large sums in military aid credits were forgiven (for both countries) in late 1983. Counting the transferred amounts as grant military aid, the share of the two in this category was 62 percent, and the share of military aid credits 40 percent. In the economic aid category, Egypt is getting slightly more than Israel: the share of both was 28 percent of total. Lumping the three categories together, the proportion is 36.7 percent. Agency for International Development, *Congressional Presentation for F.Y. 1975*, main volume, February 1984, pp. 640, 644 (available from the House Foreign Affairs Committee).

[7] For a recent thoughtful review of the problems raised by U.S. supplies of military equipment to Saudi Arabia, see Leslie Gelb, "Stinger Sale: Mideast Balancing Act," *The New York Times*, May 29, 1984, p. A9.

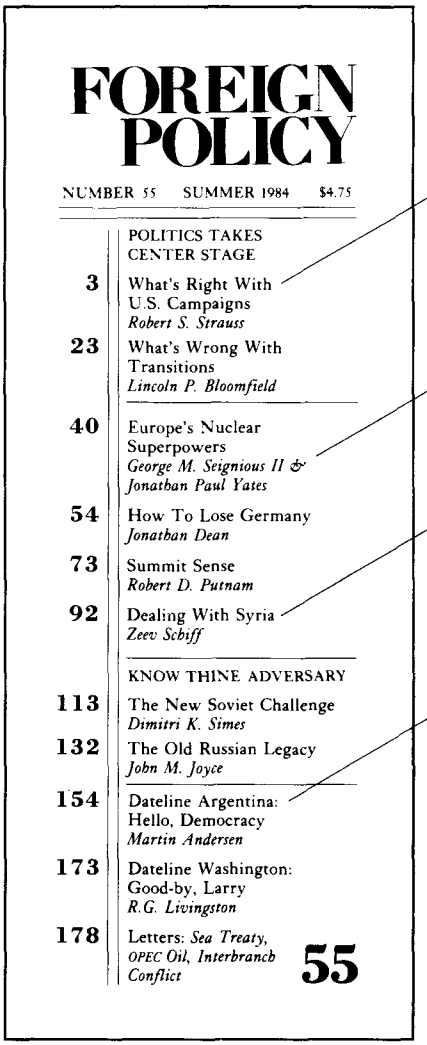
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"**FOREIGN POLICY** ...the epitome of quality press."
Washington Monthly

"**FOREIGN POLICY** consistently attracts the most impressive authors on current affairs ...provocative...readable."
Hedrick Smith
The New York Times

"**FOREIGN POLICY** offers diverse but authoritative perspectives on issues of immense and immediate significance to our country."
Senator Howard Baker, Jr.

"**FOREIGN POLICY** ... a must for expert and amateur alike."
Cyrus Vance
Former Secretary of State



FOREIGN POLICY

NUMBER 55 SUMMER 1984 $4.75

POLITICS TAKES CENTER STAGE
3 What's Right With U.S. Campaigns — *Robert S. Strauss*
23 What's Wrong With Transitions — *Lincoln P. Bloomfield*
40 Europe's Nuclear Superpowers — *George M. Seignious II & Jonathan Paul Yates*
54 How To Lose Germany — *Jonathan Dean*
73 Summit Sense — *Robert D. Putnam*
92 Dealing With Syria — *Zeev Schiff*
KNOW THINE ADVERSARY
113 The New Soviet Challenge — *Dimitri K. Simes*
132 The Old Russian Legacy — *John M. Joyce*
154 Dateline Argentina: Hello, Democracy — *Martin Andersen*
173 Dateline Washington: Good-by, Larry — *R.G. Livingston*
178 Letters: *Sea Treaty, OPEC Oil, Interbranch Conflict*

55

- Would longer presidential campaigns benefit U.S. foreign policy?
- Does the expansion of British and French nuclear forces threaten Western security?
- Would an Israeli-Syrian war trigger superpower use of nuclear weapons?
- Will the United States aid a fledgling democracy?

Send to:

FOREIGN POLICY
Subscription Department
Box 984
Farmingdale, NY 11737

7FA6

Yes, FOREIGN POLICY Is *my business!*

Please enter a one-year subscription (4 issues) for only $14 — $5 off the regular newsstand price of $19.

GUARANTEE
I understand that full refund is guaranteed if I cancel on seeing the first issue.

☐ Payment enclosed
☐ Bill me
Outside USA add $3 surface annually, $15 air annually

Name _____
(PLEASE PRINT)
Address _____
City _____ State _____ Zip _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CONFIDENCE-BUILDING MEASURES IN EUROPE

Edited by F. Stephen Larrabee and Dietrich Stobbe

EAST-WEST MONOGRAPH SERIES
Number One

"An important contribution in this field..."
—Hans-Dietrich Genscher

"You are performing a public service in producing your book on confidence-building measures... The essays in your publication will be of inestimable value in permitting the Conference on Security and Cooperation in Europe to address the vital issue of surprise military attack..." **—Max M. Kampelman**

October, 1983 221 pp. ISBN 0-913449-00-8 $8.95
(Please send payment with order) Second Printing

INSTITUTE FOR EAST-WEST SECURITY STUDIES
304 East 45th Street, New York, New York 10017

"The first major biography"* of the powerful but enigmatic leader who changed the map of the Asian subcontinent

Mohammad Ali Jinnah was for Pakistan what his arch-rivals Gandhi and Nehru were for modern India—inspirational father and first head of state. Architect of the partition that split Pakistan away from India, Jinnah was a pivotal figure in the struggle for independence from British rule amid growing Hindu-Muslim antagonism. Wolpert vividly recounts how the tragic clash of personalities and party platforms pitted Jinnah against Gandhi and escalated from a personal rivalry into a conflict of national and international proportions.

JINNAH OF PAKISTAN

STANLEY WOLPERT

"A superbly documented tale

...Wolpert has done what biography, at its best should do: he has told the story of a complex and tormented man, and related his torments and choices to the insoluble dilemma which he inherited."—Fouad Ajami, *The New Republic**

***$24.95** at better bookstores or send your check to*

Oxford University Press
Box 900
200 Madison Avenue
New York, NY 10016

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Spend Election Year '84 as a Washington insider... no matter where you are

Join the thousands of people all over the country who are discovering that you don't have to live in — or near — Washington to become a Washington insider.

Subscribe to The Washington Post's new National Weekly Edition and read the best of The Post's reporting, analysis and opinions on politics, diplomacy, government and economics. The same coverage that informs this nation's leaders.

Short of a daily subscription to The Washington Post, the National Weekly Edition is your best source for in-depth Washington coverage.

And now during our special introductory offer, you can get this important newsweekly for just $39 a year. To order, complete and mail the coupon to National Weekly Edition, PO Box 37262, Washington, D.C. 20013.

Yes. Please start my subscription to The Washington Post's new National Weekly Edition at the Introductory rate of $39 per year. That's 52 weekly issues at a savings of $13 off the regular subscription rate of $52.

NATIONAL WEEKLY EDITION

☐ Check or money order enclosed (payable to the The National Weekly Edition).
☐ Please bill me.

Name _____

Address _____

City_____State_____Zip_____

Mail to: National Weekly Edition, PO Box 37262, Washington, DC 20013.
Please allow 4-6 weeks for delivery of first issue.

746FAI

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from Brookings

Nuclear Forces in Europe: Enduring Dilemmas, Present Prospects

Leon V. Sigal

NATO's critical 1979 decision to deploy American nuclear-armed missiles beginning in December 1983 has provoked intense political controversy throughout Western Europe. In this timely book, Sigal examines the political crosscurrents that gave rise to the decision and the public reaction that followed. He analyzes the military rationales for deploying the missiles and the arms control issues they raise.

1984/c. 190 pp./paper 0-8157-7903-8 $8.95/cloth 0-8157-7904-6 $22.95

The 1985 Defense Budget

William W. Kaufmann

In this Brookings study in defense policy, Kaufmann argues that the unprecedented peacetime expenditures outlined in the Reagan administration's 1985 budget and associated five-year plan for defense may not be the most desirable and are certainly not the most efficient way to increase military preparedness.

1984/c. 60 pp./paper 0-8157-4875-2 $6.95

Please send payment with orders to

BROOKINGS

The Brookings Institution
1775 Massachusetts Avenue, N.W.
Washington, D.C. 20036

"A revolutionary reappraisal of the American role in the world, of U.S. obligations to allies, of the very definition of what is required for our security."

—**Philip Geyelin,** *The Washington Post*

A provocative and unique analysis of President Reagan's proposed 1985 military budget by one of America's foremost advocates of noninterventionism. A former Pentagon official, Dr. Ravenal proposes significant reductions in U.S. foreign policy commitments as the only realistic way to substantially reduce military spending and the burgeoning federal deficit. ***46 pp. $3.95***

Defining Defense: The 1985 Military Budget

Earl C. Ravenal

Available from the
Cato Institute, Dept. FA
224 Second Street, SE
Washington, D.C. 20003

CATO INSTITUTE

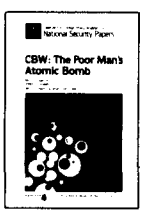
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW PUBLICATIONS

Institute for Foreign Policy Analysis, Inc.

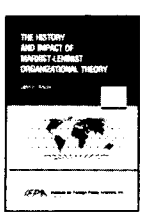
Poisoning Arms Control: The Soviet Union and Chemical/Biological Weapons.
By Mark C. Storella.

Since 1975, when reports of Soviet and Vietnamese chemical weapons attacks began to emerge from Southeast Asia, there has been a steady deterioration of the arms control agreements governing the production and use of chemical and biological weapons (CBW). The author of this study assesses the evidence of violations by the Soviet Union of existing CBW arms control treaties as well as the reasons why the international community has been unable to deal effectively with this evidence; examines the impact on international security of asymmetries between U.S. and Soviet CBW postures; and recommends measures the United States can take to meet the Soviet challenge to CBW arms control and Western security. Approx. 100 pp. $7.50. ISBN 0-89549-063-3.



CBW: The Poor Man's Atomic Bomb.
By Neil C. Livingstone and Joseph D. Douglass, Jr.

In this study—the first in a new series published by the Institute, entitled National Security Papers—the authors warn that the danger of a terrorist group manufacturing or stealing lethal chemical or biological weapons poses a far greater threat to American national security than does the widely feared prospect of terrorists acquiring an atomic bomb. This study examines the nature of C/B weapons; their flexibility as a means of political coercion, economic warfare, and assassination; and their use by the Soviet Union and transfer by Moscow to third parties. The authors urge the United States to take a number of preventive measures, which include improving intelligence and internal security capabilities, training law-enforcement officials, and enforcing stricter controls over the production, sale and transfer of C/B agents. 33 pp. $5.00. ISBN 0-89549-057-9.



The History and Impact of Marxist-Leninist Organizational Theory: "Useful Idiots," Innocents' Clubs," and "Transmission Belts."
By John P. Roche.

In this provocative analysis of the theory and practice of Marxist-Leninist organizational theory, the author provides insights gathered over a forty-year career as a political activist and scholar who has written extensively on the history and development of elite theories. He has prepared a meticulously documented microanalysis of the Marxist-Leninist modus operandi from Marx to the death of Stalin indicating that its fundamental goal was always the legitimation of power in the hands of a "vanguard," not the welfare of "prisoners of starvation" or the "wretched of the earth." He concludes with an exploration of the Marxist-Leninist impact on contemporary American and world politics. 70 pp. $7.50. ISBN 0-89549-059-5.

The Bishops and Nuclear Weapons: The Catholic Pastoral Letter on War and Peace.
By James E. Dougherty.

This study sets the Bishops' Pastoral Letter into 2,000 years of Christian history, and probes both its doctrinal content in light of Church teaching, and its recommendations vis-à-vis contemporary strategic thinking on deterrence, the freeze movement, counterforce and countervalue strategies, limited war, no first use, and other issues of the nuclear age. 264 pp. $22.50. ISBN 0-208-02051-9. Available in August 1984 from Archon Books, 995 Sherman Avenue, Hamden, Conn., 06514.

Please send the books I have circled.

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Payment must accompany all orders. Postage and handling charges: U.S. and Canada, $1.00 per order; all others, $2.00 per order.

IFPA

Institute for Foreign Policy Analysis, Inc.
675 Massachusetts Ave., 10th Fl
Cambridge, MA 02139

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FULBRIGHT SCHOLARS

1985-86 Awards Competition
UNIVERSITY LECTURING and POSTDOCTORAL RESEARCH ABROAD

Application Deadlines

June 15, 1984		*September 15, 1984*	
Australasia	India	Africa	Asia (except India)
Latin America and the Caribbean		Europe	Middle East

Information and Applications are available on campuses from the Office of the Graduate Dean or the Office of International Programs at graduate institutions, or from the Office of the Chief Academic Officer at undergraduate institutions. Materials are also available from CIES.

COUNCIL FOR INTERNATIONAL EXCHANGE OF SCHOLARS
11 DUPONT CIRCLE • WASHINGTON, D.C. 20036
(Affiliated with the American Council on Education)

The Fulbright Program is funded and administered by the United States Information Agency

ceres
FAO REVIEW ON AGRICULTURE AND DEVELOPMENT

Published every two months in Arabic, English, French and Spanish by the Food and Agriculture Organization of the United Nations.

Annual subscription:
US$ 15.00

Six times a year CERES brings to its readers a unique package of information, analysis and opinion which provides a panoramic perspective of the activities affecting agriculture and rural life.

Read CERES

- to identify new approaches to development;
- to evaluate the experience of others with new or different technology;
- to brief themselves on major issues under international negotiation;
- to understand the major forces shaping rural development.

To suscribe, please write to: UNIPUB, P.O. Box 433
Murray Hill Station
New York, N.Y. 10016

or

FAO – CERES Circulation Office, C-116
Via delle Terme di Caracalla
00100 Rome, Italy

Free sample copies are available on request from: CERES Circulation Office (see address above)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COUNCIL ON FOREIGN RELATIONS

Bridge the "widening" Atlantic with the first two volumes from the Project on European-American Relations.

NUCLEAR WEAPONS IN EUROPE

William G. Hyland — Paul C. Warnke
Lawrence D. Freedman — Karsten D. Voigt

Introduction by Andrew J. Pierre

January 1984 128 pp. ISBN 0-87609-000-5 $5.95

UNEMPLOYMENT AND GROWTH IN THE WESTERN ECONOMIES

Raymond Barre — Marina v.N. Whitman
James Tobin — Shirley Williams

Introduction by Robert D. Hormats

May 1984 152 pp. ISBN 0-87609-001-3 $5.95

The Project on European-American Relations, directed by Andrew J. Pierre, will publish approximately three books a year over the next three years on critical issues affecting the trans-Atlantic relationship.

Please rush me, postage paid:

____copy(ies) of **NUCLEAR WEAPONS IN EUROPE** ($5.95)

____copy(ies) of **UNEMPLOYMENT AND GROWTH IN THE WESTERN ECONOMIES** ($5.95)

___information on forthcoming titles from the Project on European-American Relations, and on the convenient standing order plan.

____general catalog of new publications of the Council on Foreign Relations.

Name _____

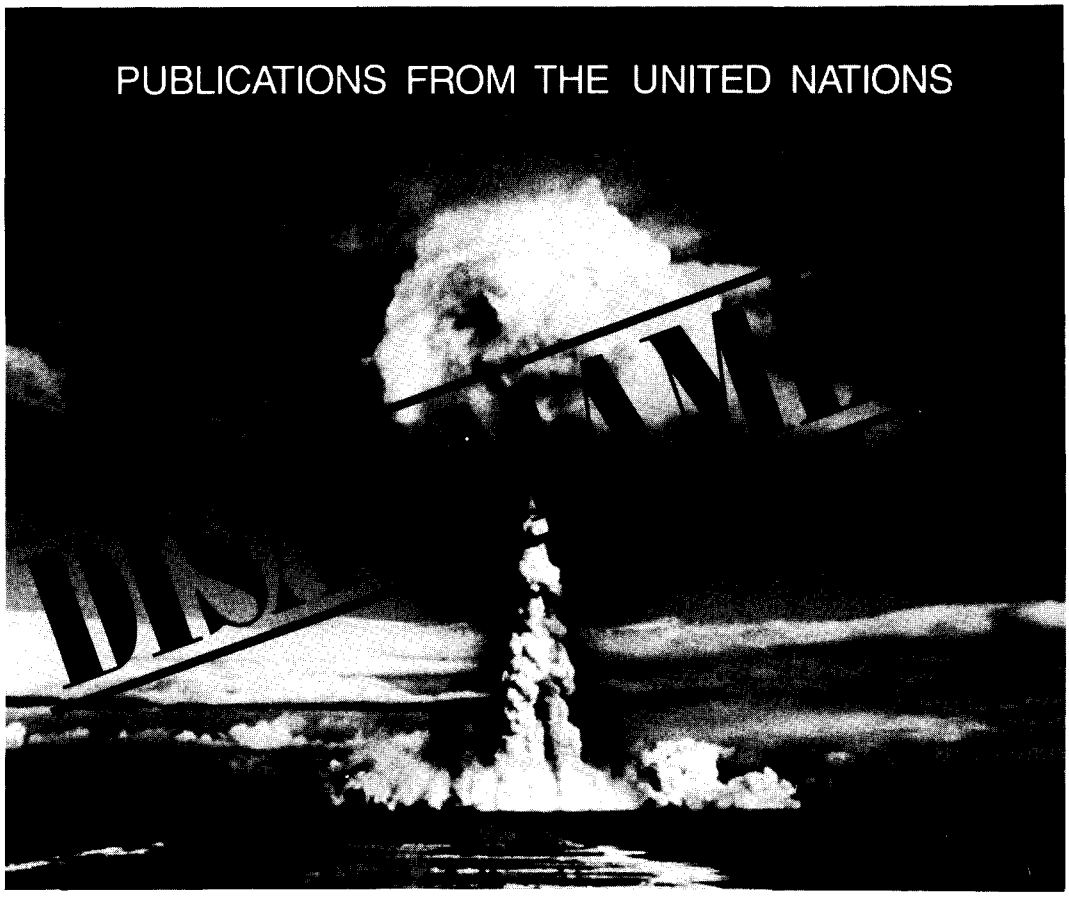
Address _____

City _____ State _____ Zip _____

Send order and payment to Publications Director, Council on Foreign Relations, Inc., 58 East 68 Street, New York, NY 10021.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PUBLICATIONS FROM THE UNITED NATIONS



THE UNITED NATIONS DISARMAMENT YEARBOOK,
Volume 7
The latest and most comprehensive so far in the series which started with the 1976 edition. It is the first to be published by the new United Nations Department for Disarmament Affairs which was established in January 1983 and features coverage of the United Nations General Assembly's Second Special Session devoted entirely to Disarmament. It deals in detail with nuclear disarmament, chemical weapons, the prevention of an arms race in outer space, the limitation of conventional armaments and the arms trade, and study and research of DISARMAMENT.
E.83.IX.7 *Clothbound* **$22.00**

DISARMAMENT:
A periodic review by the United Nations
This special book serves as a source of information and a forum for ideas concerning the activities of the United Nations and the wider international community with regard to arms limitation and disarmament issues.
Vol. VI No. 3 *(latest)*
E.83.IX.10 **$6.00**

Catalogue of our International Publications available free upon request.

UNITED NATIONS PUBLICATIONS
Room DC2-853, New York, NY 10017
Palais des Nations, 1211 Geneva 10, Switzerland

DISARMAMENT

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

between U.S. views and those of its NATO allies (by no means attributable solely to oil dependence) already make it harder to get allied joint action on Middle East matters and could, in the event of crisis, reopen the sharp divisions evident in that watershed event, the 1973 war.

What, then, might one say broadly about the lessons for American policy and attitudes? Here it is surely noteworthy that each of the four Presidents of the period—and indeed their predecessors—have come to practice similar policies toward the Arab-Israeli problem: if one were to bring together these four men today (as, indeed, three came together for the 1981 Sadat funeral) the areas of disagreement would be minor and tactical. Each has come to balance unquestioned support for Israel's healthy survival with the need to maintain relationships with the Arab nations and foster moderate tendencies among them—and each has come to realize that any definitive choice between the two imperatives would be a disaster, so that the overriding need is to exert maximum U.S. influence toward a modus vivendi and eventual settlement. In this area as in East Asia, U.S. policy has been in practice bipartisan and in its broad application supported by a national consensus.

Yet a second and disturbing feature of this period has been the increasing politicization of the issue at the fringes. A European today, and many if not most observers here, would say that the United States has had a serious Arab-Israeli policy in recent years only roughly for two years out of each four-year span. King Hussein of Jordan put this harshly last February when he excused his refusal to accept a negotiating role on the ground that he could not have expected effective U.S. action after the spring of 1983; yet the record of the periods from mid-1975 to early 1977, from mid-1979 to early 1981, and only to a lesser degree that since mid-1983 offers strong evidence that he was essentially right. Policy has been hampered if not immobilized for 18 months prior to each recent U.S. presidential election, and an Administration has then taken another six months to sort itself out—in part to modify reckless statements and attitudes adopted during the political campaign.

From every standpoint this must not continue. It is an issue on which emotions naturally run high, and on which it is difficult at any time to preserve one's understanding of why the key nations behave as they do, while at the same time seeking to judge their actions and the possibilities for U.S. policy as objectively as possible. But not since the 1966–68 period over Vietnam—and before that the 1939–41 debate between interventionists and isolationists—have I seen responsible American opinion more concerned, more inwardly disturbed and at the same time less able to conduct really probing and thoughtful discussion. The subject is now a mine field of buzz words, government policy has had to be framed in excessively small groups to avoid leaks and recrimination, and felt political pressures have again and again contributed to failures to explain long-standing U.S positions to the public. On too many occasions, recent Israeli leaders have played off the U.S Congress against the Executive, while the politicization of the issue has been a factor in a deplorable lack of candor (on both sides) in high-level meetings.

The lesson, surely, is that we need much more balanced and responsible discussions and exchanges of views—much as we needed a Great Debate over Vietnam in 1965–66. For example, I believe that much greater candor on all sides could have at least eased the impact of the recent debacle of our high-risk but understandable Marine presence in Lebanon. It is my own judgment that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such a debate would reaffirm rather than weaken the fundamentals of U.S. policy—above all support for Israel's healthy survival. In any case, we cannot go on for long as we are now doing, and while responsibility for articulating policy clearly must fall primarily on the Administration of a given time, that for serious and thoughtful debate also lies heavily with all our public servants, with the media, and with each of us as citizens.

V

The Iranian Revolution must be judged—today even more than earlier—as the greatest single setback for U.S. policy and for stability in the Middle East of these dozen years. One can readily argue the degree to which successive U.S. administrations should be blamed for the Shah's growing separation from his people and eventual fall.[8] Then came the hostage crisis and the war with Iraq, instigated by Saddam Hussein but hardly unprovoked. Today the Khomeini regime and its Islamic fundamentalism (which also has wider aspects) have altered drastically the whole picture in the area, with threats, both military and political, to other Gulf States and oil supplies, and an outreach all too visible recently in major terrorist acts in Lebanon. What had been envisaged as a pillar of the Nixon Doctrine policy of greater reliance on regional powers lies in ruins.

The root of the problem from the standpoint of U.S. policy, as I now see it, lay in the changed status of the Shah after about 1971, when he stepped to the forefront of OPEC in the first overall oil price increases, subsequently taking advantage of the much greater price rises of 1972–74. Though the differences between Iran and Israel were enormous, the ensuing U.S. relationship with the Shah might be put in the same terms—an unhealthy combination of dependence and independence. On the one hand, the strategic importance of Iran, and the perceived need to support the Shah totally, led U.S. policy under President Nixon and Secretary Kissinger to open-ended supplies of military equipment and the largest U.S. presence in any Third World country since Vietnam. Although (like Israel) not a formal ally, the Shah remained dependent ultimately on U.S. backing and what amounted to a U.S. commitment to Iran's security. On the other hand, a ruler who had always chafed at extensive (and generally wise) U.S. advice on his military and economic programs, and also on his political policies, felt himself at last his own master and developed inordinate ambitions for quick progress to major-power status. This was of course one of the direct results of the oil crisis, and as it turned out the Shah's domestic muddle was only an example writ large of what happened, in greater or lesser degree, to virtually every other oil-producing country.[9]

Yet the disastrous result was surely not foreordained. The United States should have redoubled its efforts to follow Iranian social and political developments, instead of buckling totally to the Shah's evident objections to any but official contacts. U.S. representatives could have shifted to a somewhat more detached posture, including measured advice and certainly omitting the unquestioning praise that was the rule from 1971 virtually until the crisis broke in the fall of 1978. And the U.S. presence could have been much more closely monitored and limited, so that it did much less to feed the sentiments that

[8] See William P. Bundy, "Who Lost Patagonia? Foreign Policy in the 1980 Campaign," *Foreign Affairs*, Fall 1979, pp. 11–25

[9] Jahangir Amuzegar, "Oil Wealth: A Very Mixed Blessing," *Foreign Affairs*, Spring 1982, pp. 814–835.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

exploded in the Revolution. In the end the United States had the worst of both worlds, vilified as the Great Satan in a situation where it no longer had (or at least chose not to exert) significant influence on the Shah and had only a feeble grasp of what was stirring.

Could the Shah have used the military to beat back the Revolution—or, as the question came to be put, should a friendly authoritarian regime be backed to the hilt where its alternative may be something resembling totalitarianism? Was the Carter human rights policy to blame for rocking the boat? These are significant questions, and on the human rights issue the pendulum of U.S. policy has swung from excessive Realpolitik to indiscriminate emphasis, back to Realpolitik, and, in the last two years, to greater balance. If there is a human rights policy lesson from Iran, there is surely an equal and opposite one from the Reagan Administration's embrace of the Argentine junta in 1981–82. That a human rights component belongs in U.S. policy is as clear as that it cannot be applied without regard to strategic interests.[10] It is a balancing with which both Parties are still uneasy.

In the case of the Shah, not only human rights policy but something in our national style was involved. We tend to welcome particular countries or a particular ruler as ours or "our man." This is a tendency much less evident—perhaps, if you will, outgrown—in the dealings of other major powers that have held sway or exerted great influence in the countries of what we now call the Third World.[11] Essentially you cannot have it both ways—if you wish a nation to be independent and self-reliant, or if that has become in any case inevitable, then a degree of detachment and reserve is required.

The Arab-Israeli problem and Iran provide powerful evidence of the central importance of regional factors in any Third World security situation. But before returning to the issue of balancing such factors against the East-West or Soviet element, it is necessary to look at what has happened in Soviet-American relations in this period.

VI

Even the most ardent supporter of détente with the Soviet Union, on the lines envisaged in 1972 by President Nixon and Secretary Kissinger, probably would not argue today that this policy could have produced a prolonged period of steadily dropping tensions. At least in the American view, détente was always a variant of the basic postwar policy of containment, relying on agreements and new incentives at a time when U.S. national will to use its power was at a postwar nadir as a result of Vietnam.[12] Given the Soviet definition of "peaceful coexistence," the odds were surely very great that they would have responded at some point to the kind of opportunities that were presented in Africa and parts of the Middle East in the years that followed. Likewise, the basic Soviet military programs of the 1970s stemmed from decisions of the 1960s and would surely have gone forward in any circumstances.

[10] For a fuller discussion see William P. Bundy, "Dictatorships and American Foreign Policy," *Foreign Affairs*, October 1975, pp. 51–60.

[11] I have never been comfortable with descriptions of the United States in recent years as "imperial" or as an "imperial Republic"—though the latter was used by as eminent a scholar as the late Raymond Aron. I prefer the classic definition of imperialism as territorial control. See William L. Langer, "A Critique of Imperialism," *Foreign Affairs*, October 1935, p. 107.

[12] See John Lewis Gaddis, "The Rise, Fall and Future of Détente," *Foreign Affairs*, Winter 1982/83, pp. 354–377.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Yet it remains true that neither the carrot nor the stick originally visualized by Messrs. Nixon and Kissinger was provided by the Congress (partly reflecting public opinion) in anything like the necessary measure. In particular, the Jackson and Stevenson Amendments of late 1974—attempts to link carrying out already-agreed trade arrangements to Soviet policy on Jewish immigration—were extraordinarily unwise and negative in their effects both on Soviet-American relations and on that immigration itself. The lesson is clear that Soviet sensitivity on what it regards as internal matters will always impose heavy costs on any effort to affect these directly—a lesson that had to be re-learned in the early months of the Carter Administration. The 1974 Amendments were in a real sense casualties of Watergate, as well as forerunners of a congressional activism to which we shall return.

Thus, détente was already on shaky ground by 1975 when Vietnam collapsed. The 1974 coup in Lisbon, with an immediate decision to let go of the Portuguese colonies in Southern Africa, then led to the Angola crisis. The emergence of Cuba (and to a lesser extent East Germany) as willing Soviet surrogates added a new and ominous dimension to Soviet activity in the Third World, as did the demonstration of a new Soviet military capability to move forces and equipment over long distances in quantities relevant at least to small-scale military conflict. Both aspects were demonstrated again in an instigated coup in Ethiopia, with the Soviets accepting the loss of their previous position in Somalia as a good trade. South Yemen too was moved into the Soviet orbit, and in the spring of 1978 another communist coup in Afghanistan triggered the events that culminated in the Soviet invasion of December 1979 and the war that continues today. Simultaneously, a resurgent Castro took advantage of the overthrow of Somoza in Nicaragua in 1979, with his Marxist-Leninist pupils quickly emerging in full control there and shortly acting to stimulate and support the guerrillas in El Salvador.

The catalogue is familiar and its impact on the American government and public was understandably profound. And alongside these Soviet gains there was growing concern over a Soviet military buildup that was pursued unrelentingly on all fronts, well beyond any reasonable assessment of Soviet defense needs—though in the nuclear area one needs to consider the impact on Moscow of the rapid post-1970 U.S. deployment of multiple warheads well ahead of any Soviet program and then much more accurate than anything in the Soviet inventory. In conventional arms the picture *was* one-sided; here the charge that the United States let its guard down has greater substance, and it may well be that the Soviets pushed all the harder because of this. Certainly the lesson always dinned in by General George Marshall and others—that U.S. defense policy cannot be effectively conducted on a stop-go basis—was both neglected and again demonstrated during these dozen years.

Against this background, what might we now learn about the conduct of arms control negotiations and their relationship to other aspects of the superpower relationship? Here again we have veered from excessive faith (or proclaimed faith) to excessive cynicism recently. The evidence of this period does not suggest, for example, that arms control agreements in good order and in progress (the situation from 1972 to early 1976 and from mid-1977 to at least mid-1979) operate to constrain Soviet adventurism in the Third World. Conversely, however, the absence of visibly serious strategic arms negotiations has surely been a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

significant contributor to the extreme chill of recent years, in addition to its impact on allied public opinion and to a lesser extent that in the United States.

For technological reasons alone, however, arms control would probably have been in serious difficulty in any case. One obvious lesson, going back before 1972, is that major destabilizing technical changes—a foremost example was multiple warheads—need to be thought through much more carefully by both sides. Now, as the 1983 Reagan conversion to the build-down concept seeks to walk the cat back on multiple warheads,[13] the same problem is presented by cruise missiles and by improvements in accuracy.

A corollary lesson, vivid in this period, is that neither side will in practice be allowed to get lasting and important advantage from some innovation. Soviet secrecy and superior American inventiveness will always throw up temptations, but in the longer run a balance will be struck—at higher levels of expense and risk. Both lessons are being tested today—and have so far been neglected—in the areas of space-based defenses and anti-satellite weapons. The case for an early dialogue, even a sharing of such technology, has been made by both Richard Nixon and Dean Rusk,[14] and the next American Administration, of either party, will face major decisions here. Is it too much to hope that from its actions there might evolve a new approach to arms control, with less stress on formal agreements than on serious early consultation, with self-denying ordinances leading to accepted mutual restraint, both qualitative and quantitative?

What will *not* work satisfactorily—is in fact a bad approach—is the model of the Soviet SS-20 deployment and NATO's response, from the mid-1970s to the present. Whether or not Soviet interlocutors were initially sincere in arguing that the SS-20 was intended merely as a replacement of obsolescent intermediate-range missiles, it was bound to raise the threat to NATO Europe by a quantum jump; then, as the threat became clear about 1977, NATO (distracted by the "neutron bomb" issue)[15] failed to remonstrate or press negotiations and elected to respond on a NATO-wide basis instead of by unilateral U.S. action as in the past. Deployments were linked with negotiation in a way almost bound to tempt the Soviets to seek to divide NATO rather than settle the question. Here there are surely important lessons of timely action and Alliance management. In the event, what might conceivably have been an early agreement on limited deployments became an outright confrontation, with the result a short-term defeat for the Soviet Union and a dug-in Soviet position that does not look like changing soon.

What then of the broader approach to Soviet-American relations? Of the last three American Administrations, only the first has had reasonably steady and realistic communication with the Soviet Union, with the Carter Administration speaking with many voices and the Reagan Administration's high-level rhetoric and posturing approach to arms control compounding the problems that would have been raised in any event by its Manichean views of the Soviet Union. As others have noted, all postwar experience, but especially that of these dozen years, points to the wisdom of a steady intermediate policy that on the one hand recognizes the depth and reality of the rivalry and on the other seeks always to

[13] See Alton Frye, "Strategic Build-Down: A Context for Restraint," *Foreign Affairs*, Winter 1983/84, pp. 293–317, and R. James Woolsey, "The Politics of Vulnerability: 1980–1983," *Foreign Affairs*, Spring 1984, pp. 805–819.

[14] "Some Practical and Realistic Advice," *Time*, January 2, 1984, pp. 38, 40.

[15] See William P. Bundy, "A Portentous Year," *Foreign Affairs, America and the World 1983*, p. 500.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

keep the lines of communication open and to negotiate wherever possible—in effect containment with negotiation and contact. Only such a policy can both minimize the danger of confrontation and engage the continuing support of broad American public consensus and notably that of America's key allies, together with an essential degree of understanding and support from the non-communist world at large.[16]

Such foreign support and understanding have, throughout the postwar period, been deemed crucial not only to dealing with Soviet threats or threats backed by the Soviet Union but to coherent U.S. foreign policy on all fronts. The Western Alliance, with NATO as its cornerstone, remains unique in history and in its strength and depth of common interests and values. In these last dozen years the United States has had to deal with obstructive action by its allies in at least one case (the denial of transit to resupply Israel during the 1973 war), and with serious disagreement on at least two other occasions (the responses to the invasion of Afghanistan and to the imposition of martial law in Poland). Today Europeans have both strong feelings and vested interests in the preservation of key trade and personal-exchange relationships arising from détente and see its results in far more favorable terms than most of U.S. opinion. NATO has shown itself capable of cohesive action on missile deployment in Europe—though not without significant differences and even defections of minority parties—and the Central European front remains basically secure. But there remain important differences on the handling of the Soviet Union and on potential crisis situations outside the NATO area, notably over the Arab-Israeli problem.

From this mixed record some would draw the lesson that alliances and world reactions are less important today than they have been in the past, and that the NATO tie in particular should be loosened or modified. Such conclusions would, I believe, be profoundly mistaken. Unquestionably our allies should do more in significant respects. But in the last analysis we cannot do without the maximum attainable degree of cooperation from them, as well as from the many well-disposed countries around the periphery of the Soviet Union.[17] The United States may have to act unilaterally on occasion—as it did in Grenada—but a profound concern for allied and regional attitudes remains fundamental.[18] Where the United States is tempted to unilateral action, but where that action also cuts sharply into allied attitudes and especially allied interest, a unified compromise approach will in most cases be vastly preferable to adopting U.S. preferences to the full—a lesson surely underscored most recently by the pipeline sanctions dispute of 1982.

VII

Let us now take a harder look at crises in the period in the Third World. I have noted my belief that 1914 is a better rough parallel for our present situation than 1929–39—that is, that a major war could come about much more readily

[16] Gaddis, *loc. cit.*; Joseph S. Nye, Jr., "Can America Manage Its Soviet Policy?", *Foreign Affairs*, Spring 1984, pp. 857–877.

[17] See Robert W. Komer, "Maritime Strategy vs. Coalition Defense," *Foreign Affairs*, Summer 1982, pp. 1124–1144. Even strong critics of the behavior of our NATO allies often accept Europe's crucial importance. See Robert W. Tucker, "The Atlantic Alliance and Its Critics," *Commentary*, May 1982, pp. 66–68.

[18] William P. Bundy, "A Portentous Year," *Foreign Affairs, America and the World 1983*, pp. 519–520.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by a confrontation outside the main theater of central Europe, with each of the superpowers tied to somewhat independent and unpredictable local and regional actors, so that a local conflict could reach a pitch not intended by either superpower but in which one or the other faced the choice between local defeat and wider action. Moreover, it is in the Third World that what the Soviets call "the correlation of forces" can shift most markedly, not only in the perception of the superpowers themselves but in that of their most responsible major allies.[19] That such shifts might relate much less to the classic factors of raw materials and similar concrete factors than to their psychological impact does not reduce their crucial importance, but may even make them more difficult to handle.

Here again there are surely central lessons of foresight from the experience of these 12 years. The whole postwar period has been marked by the ending of colonial or quasi-colonial positions no longer compatible with the ethos of the last 40 years or with the felt power and awakened sentiment of the local and regional nations concerned. In that sense, the Soviet Empire is itself by far the greatest anomaly of all; in the next generation its weakening and possible eventual breakup may become the greatest single source of turbulence the world faces. But in the last 12 years, as in the last 40 as a whole, a principal feature in the Third World has been the breakup of colonial positions held by Western nations sensitive to moral factors and public opinion and unable or unwilling to maintain those positions.

One example here must be the failure to anticipate the Portuguese military coup of 1974 and the immediate decision to relinquish the Portuguese territories in Southern Africa. It seems clear that Washington (and, to be fair, all the major European nations) failed totally to foresee these events or to plan seriously for them. No one familiar with the past history would claim that the problem was easy for the United States—with Portugal both a NATO ally and the provider of key facilities in the Azores (as notably in the 1973 Middle East war). But to bet heavily, as the Nixon Administration had done, on continued white control throughout Southern Africa was clearly an error from which lessons must be drawn.

Similar lessons were right under our noses in Panama and in Central America. There were psychologically understandable and historical reasons for many Americans to reject or put to one side the fact that the U.S. position in the Panama Canal was in this generation a semi-colonial condition that could not endure. But it is nonetheless sad that successive Administrations—themselves convinced of the necessity for change since at least 1964—failed to articulate the problem to the American people. In the end it took 14 years to achieve the Panama Canal Treaties that were finally signed in 1978 and then ratified only after a bruising and distracting debate that drew far too heavily on the Carter Administration's time and on its credit with the Congress.

With that experience a continuing one, the historian of the future may find it even more incomprehensible that the United States failed to move much sooner and more effectively to disengage itself from Somoza and similar authoritarian military ruling groups in Central America—where both leaders and groups were held in power, especially in the eyes of their peoples, largely by U.S. acquiescence and often outright support. The Carter Administration's handling of the Nicaraguan Revolution was far from flawless, but the real national error was that we

[19] See Hans-Dietrich Genscher, "Toward an Overall Western Strategy for Peace, Freedom and Progress," *Foreign Affairs*, Fall 1982, pp. 45–46.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

failed to come to grips with the situation much sooner. That friendly authoritarians may be replaced by hostile totalitarians is indeed a dilemma which, when it actually arises, sometimes has to be faced with due weight for the strategic importance of the country involved—even short-term chaos and instability in Korea, for example, could present extraordinarily difficult choices, as Iran did in 1978. But in Central America there were no such strategic dangers in the many years before 1978 in which the United States could have changed its posture. That it did not do so reflects in part the simple fact that the U.S. policy machinery today is overburdened and overly crisis-oriented.[20] Still, there could have been much more foresight and much more will to act.

One could readily point to similar errors of foresight in this period on the part of other major nations, with Britain and the Falklands War a notable example, but of course the twin problems of instability and conflict in the Third World are by no means confined to historically colonial or semi-colonial situations. Their roots are everywhere, and in the present era almost necessarily rampant—from unresolved local territorial disputes (Cyprus for example) to irredentist quarrels (Northern Ireland for example) to internal cases where traditional forms of leadership are challenged or new governments have never attained real legitimacy. And in every type of situation there is the possibility of Soviet meddling. Much as we may hope for and seek its modification, this must be taken as a given in the present state of Soviet policy and East-West relations. For practical purposes it does not much matter whether the Soviets are truly and systematically seeking world domination, or whether one accepts their own argument, that they are entitled to do in the Third World what they see the United States as having been doing for the last 40 years.[21]

Hence the repeated need to sort out the regional factors from the external ones, primarily but not solely the actions of the Soviet Union and its surrogates. This problem is sometimes put in terms of arguing the relative merits of a "regional" or "global" approach in U.S. policy. The emphasis in this regard has clearly varied greatly in U.S. policy, between the Carter Administration's stress on regionalism on the one hand, and the tendency of both the Nixon-Ford and especially of the Reagan Administrations to see crises in "global" terms.[22] As an either/or argument, this seems to me singularly sterile: there is no single "lesson" that Third World crises are either dominantly regional (or poverty-related) or on the other hand that—in Mr. Reagan's extreme campaign formulation—there would be no trouble if it were not for the Soviets. Only in Afghanistan have we seen the Soviet Union both as actor and in high degree the cause itself. Elsewhere, the situation has always been mixed: there would have been grave trouble in almost any event, but it has been raised to a new pitch by external intervention.

In the resulting dilemma, surely the first need is to keep one's balance, recognizing and justly weighing the local and external factors present in each situation on a case-by-case basis. There is, for example, a difference between the

[20] By way of illustration, Central America is not mentioned at all in Henry Kissinger, *Years of Upheaval*, Boston: Little, Brown, 1982, in Kissinger, *White House Years*, Boston: Little, Brown, 1979, or in Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Advisor, 1977–1981*, New York: Farrar, Straus, 1983.

[21] See Henry Trofimenko, "The Third World and the U.S.-Soviet Competition: A Soviet View," *Foreign Affairs*, Summer 1981, pp. 1021–1040.

[22] For an assessment that "global" factors dominated the U.S. reaction to the Allende regime in Chile, see Richard R. Fagen, "The United States and Chile: Roots and Branches," *Foreign Affairs*, January 1975, pp. 297–313.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

depth of the Cuban (and Soviet) tie to Nicaragua and the degree of real Soviet influence in Syria. To fail to recognize these differences is as wrong as to deny the external element altogether.

This said, the thrust of U.S. policy should surely be in the direction of engaging and working with regional nations, seeking to develop a degree of consensus with them. This is as much the case in Central America as in the Middle East or Southern Africa: indeed, in the Central American case the need may be all the more acute because of the past history of unilateral U.S. action in the area. Today our leaders say this in words, but their actions do not seem to key regional nations or to outsiders to measure up to what is said.

We must also recognize that regional nations—themselves heavily preoccupied with their own individual problems—will need time to develop a true security consensus, and that in the meantime they must be dealt with as they are, even to the point of modifying actions that from the standpoint of U.S. policy seem imperative. The larger long-term goal of regions taking responsibility for their own security, so that the East-West rivalry fades into the background, is worth a great deal.[23] In our hearts we know, especially since Vietnam, that the United States cannot be the world's policeman or even that of a given region. But we must recognize that if we act as if we were, we run the grave risk of alienating a whole new awakened generation in such areas as Latin America.

VIII

This brings me to the lessons of the period concerning the role of military power. And here I have a question at the outset. In the minds of many current U.S. policymakers and much of the U.S. public, the fact that the Soviet Union achieved gains in the Third World during this period has become directly linked with the unquestioned fact of the Soviet military buildup at the same time. But it is at least worth raising the question whether that link was as clear and strong as many have made it.

True, newly available Soviet airlift capabilities made possible the Soviet/Cuban intervention in Angola. The Soviet Union has also been in a a position to send large quantities of conventional military equipment to fortify its new clients in Ethiopia, and notably in Syria, though this was scarcely a brand new developments of the last 12 years. One has only to recall the history of the Soviet military relationship with Egypt from 1955 to 1972—not to mention a host of other cases—to recognize that the kind of military power and equipment relevant to Third World conflicts has usually been amply available to the Soviet Union.

There is undoubtedly an important psychological connection. By 1972 the Soviet Union was perceived as having military parity with the United States and the Western Alliance, and the subsequent Soviet buildup has led many to suppose that on an overall basis the Soviet Union then went ahead in significant respects. That this gave the Soviets themselves greater confidence can hardly be doubted, and this has rightly been a major reason for the recent increases in U.S. military spending that began in 1978 and have been greatly stepped up under the Reagan Administration. (Along with most Americans, I have supported the necessity for substantial increases, although—again like most Americans—I am today con-

[23] See William P. Bundy, "International Security Today," *Foreign Affairs*, October 1974, pp. 24–44.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cerned not only about wasteful practices and management but about the strategic premises behind the naval program in particular.)[24]

Yet if one looks at the crises in the Third World over this period, the element of military power seems to me usually to have been secondary to the importance of local politics. And a secondary and firmer conclusion is that in sacrificing what might have been a major growth in basic economic strength to this military buildup, the Soviets have neglected the crucial and growing significance of such economic power from every standpoint, but specifically including effectiveness in attaining lasting positions of influence and power in the Third World. Over and over again—with Angola an obvious example—the Soviets have been able to offer the military equipment to get power and the internal security advice and support to keep it, but not the economic ties that could have kept their new clients from turning elsewhere and from diluting their Soviet ties.

And on the U.S. side it seems to me that there is a similar trend that could become dangerous. I have already referred to the central importance of overall U.S. economic strength, simply as the foundation both of U.S. prosperity and of the world economic system as a whole. That strength is no longer as dominant as it was a generation ago—and it is significantly less today than it should be because of unwise policies in the last 20 years. But it is still very great indeed, and any observer of the tools of U.S. foreign policy today must wonder at the degree to which these economic tools have been downgraded, at least at the official level.

One can, to be sure, readily point to the extraordinary panoply of economic resources that have flowed to the Third World through commercial lending and the multilateral lending institutions, as well as to the central importance of the U.S. market for the striking development of many countries in the Third World during this period, notably the so-called middle-income countries. We recognize this economic power instinctively—and have in my judgment been wise not to politicize it in the great majority of cases. But it is still true that when it comes to furnishing relatively small amounts of help, or assured markets and cooperation, in crisis Third World situations, the U.S. government today is vastly less flexible and resourceful than it was in the days of Eisenhower and Kennedy. They would rub their eyes today to learn what it took to get immediate help to Robert Mugabe in Zimbabwe after 1979 or to the key Central American countries even after the crisis there of the same year, let alone before. And today the Congress is sharply divided over economic recommendations of the Kissinger Commission that were, in hindsight, long overdue.

No one would argue that the whole postwar experience of transferring resources to Third World nations has been without grave error—for example,

[24] The fluctuations in American public opinion on defense spending in the past decade have been a study in themselves. Since 1974 the Gallup Organization has conducted systematic surveys with the same question concerning current military budget levels. The results have been as follows:

	Too Little %	*Too Much* %	*About Right* %	*No Opinion* %
February 1984	12	47	36	5
November 1982	16	41	31	12
March 1982	19	36	36	9
Jan.–Feb. 1981	51	15	22	12
January 1980	49	14	24	13
December 1979	34	21	33	12
July 1977	27	23	40	10
Jan.–Feb. 1976	22	36	32	10
September 1974	12	44	32	12

SOURCE: The Gallup Organization, *Gallup Reports International*, Vol. II, No. 2, April 1984

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the delay in supporting agriculture and the failure to exert influence toward larger reliance on the private sector. But the plain fact is that U.S. policy has today been largely stripped of one of the important tools of postwar policy, and one that has great humanitarian as well as geopolitical importance. I have heard the point stressed by Warren Christopher in his last days as President Carter's Deputy Secretary of State; his views would surely be amply shared both by his predecessors and by his successors today.

In short, we need to look again at two big questions. First, are we today using the economic power we have nearly as effectively as we should? Second—and more basic—are we weighing properly the relative importance of economic and military strength as components of national power?

Today, that basic question arises as we weigh the competing demands on our present military program against domestic needs, and both against the impact of continued high deficits on our economic health and on our foreign policy. I do not wish to get deeply into the current debate, although I will say frankly that my sympathies have been strongly with the sentiments and program advanced by Peter Peterson, other senior former Cabinet officers of both Parties, and an impressive array of leaders in the private sector. What we need to recognize above all, in foreign and security policy terms, is that high and rising interest rates here and abroad (from whatever cause) may already be having a security impact far outweighing the incremental importance to our military strength of the last $50 billion or so in the defense budget. In Europe, those interest rates are a major perceived reason for their lagging recovery, which in turn makes them unable or at least unwilling to move ahead in developing increased NATO conventional strength—a lag which could well set off a negative spiral in U.S. and European attitudes toward NATO itself. And in Latin America's debt crisis, the implications in security terms alone of nations choosing between the Scylla of internal political convulsions stemming from austerity programs and the Charybdis of default may mean that a further rise of even one or two points in the interest rate could set off turmoil in our backyard that would inevitably put heavy strains on overall security in the Western Hemisphere. This is certainly how thoughtful Europeans see the prospect—and with it a grave danger that U.S. policy will abruptly become so preoccupied with dangers to the South that it will scant even the necessary attention to NATO problems—or even the Middle East at some point.[25]

I have put the question in terms of U.S. policy primarily, but the same issue of military versus economic emphasis is widely present in the world today. Not only the superpower arms competition but regional arms races in many areas of the world represent a diversion to military purposes of enormous resources that might otherwise be used in the direction of progress. Is the military power these nations seek really usable even for the objectives envisaged? In seeking it, are they not sacrificing not only the welfare of their people but the roots of their economic strength—and are we and other Western nations not assisting them in this wrong emphasis? My judgment is that they and we are, and that the lesson is profound and worldwide.

IX

I turn next to international cooperation during this period. The record on economic matters has not been without successes, although I have already noted

[25] See "Uncle Sam's Roving Eyes," *The Economist*, March 10–16, 1984

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that the present structure and system have developed serious faults not yet in sight of correction. The major multilateral economic institutions have at least held their ground, with the World Bank and latterly the International Monetary Fund both performing useful services and serving as anchors in a turbulent economic time. Until very recently, the record of the private banking community was excellent, picking up the slack of relatively reduced state transfers of resources from North to South and handling the shock of the first oil crisis in particular far better than many (including myself) foresaw at the time. And while economic summits have not produced the scale of cooperation necessary even among their participants, they have surely been a significant forward step.

On the wider front, including North/South negotiations and worldwide cooperation on global issues, the record has been disappointing. The situation today is symbolized by the inability to agree on the next step in the North/South dialogue, with the industrialized nations bound to insist on control mechanisms weighted in terms of their far greater resources, and the developing countries seeking a more egalitarian structure. It is an impasse unlikely to be resolved at least until there is a rising economic tide that brings with it greater willingness to compromise and look ahead than now exists. On the other hand, one can point to substantial (though inadequate) progress in facing up to the world population problem; much has also been done on food supply and technology, both in meeting famine crises and in expanding the use of new technology often developed by private organizations—notably the Green Revolution.

The lesson may be that where clear and identifiable practical undertakings are needed, international organizations have done reasonably well, but that wider tasks of redistribution or restructuring are simply not now practicable, at least through multilateral agreement. In 1975 and 1976 the developing nations had reached a broad consensus that a New International Economic Order (NIEO) was a moral imperative, and there was a serious dialogue to that end, furthered particularly by France under Giscard d'Estaing and with the United States initially a forthcoming participant. But even by 1977 the effort was faltering and the attempts to revive it since then have been sterile.

The reasons for this deserve examination, although my own conclusions are particularly tentative. The failure of the oil-producing countries to achieve successful domestic development, with an accompanying decline in their relative financial importance even before oil prices levelled off and started to decline in real terms in 1981, was surely a factor. A wider factor was the record during this period of the Third World nations loosely grouped at its beginning as "developing" nations. Whereas oil wealth produced temporary power but not balanced national development among the producers, there emerged the group of Third World countries now known as the middle-income countries—notably on the rim of East Asia (Korea, Taiwan, Hong Kong and Singapore) and in Latin America (notably Brazil). As these countries forged ahead within the existing system, they became somewhat ambivalent about the need or at least the urgency of anything resembling an NIEO. By the end of the decade their concerns and emphasis had shifted to the more concrete matters of obtaining adequate financing and trade outlets.

Indeed, there was surely a major development lesson in the progress achieved by this middle-income group, many of which forged ahead with heavy emphasis on the private sector, guided and assisted by government action. As one who watched this process get under way in East Asia and joined others in foreseeing

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the economic miracle of recent years there, I would not for a moment deny that there is a lesson in that direction. Yet one must not ignore such basic factors as developed organizational capacities, receptivity to education and sheer vitality. To say that the policies and structural recipes of the middle-income countries could be simply taken over by the rest of the Third World, if nations so chose, is surely to ignore vast differences between them and others less fortunate—whether in terms of size and social complexity (India for example) or in terms of massive and grinding poverty (and in many cases continued high population growth) that make it extraordinarily difficult for this poorer group to get untracked. We may be in for a long period of a kind of three-tier situation among the non-communist economies, with the truly less-developed countries still heavily dependent on large inflows of external resources and unable for compound reasons to make more than very slow progress.

Let me now turn to the state of international cooperation and international restraints in relation to conflict among nations. It has never been in the cards that the United Nations or its Security Council could act effectively in conflicts involving the superpowers—Korea was a historic accident in this respect. That this was again demonstrated in this period over Afghanistan was not a new development. Indeed only a remarkable feat of personal diplomacy, coupled with a real "feel" for the organization, on the part of its U.N. Ambassador enabled Britain to obtain what was surely a helpful Security Council resolution on the Falklands War. We have had Secretaries General of varying quality—the present incumbent seems outstanding—and there is one extraordinary world servant, Brian Urquhart, who has forgotten more about peacekeeping than most of us will ever know. From time to time, such individuals have managed to do extremely useful work in quiet mediation and in the organization of U.N. forces in such areas as Cyprus and the Sinai.

But for the most part this has been at the fringes—as Mr. Urquhart himself implicitly conceded in a telling article on how the Security Council could be made more effective.[26] On almost all conflicts, the United Nations has registered policy attitudes at least as much as principle, and if anything this period has seen a decline in progress toward the goal Dean Rusk has always believed in, passionately and deeply, that the United Nations should be able to refer each conflict directly to the terms of the Charter and act accordingly.

On the Arab-Israeli problem in particular, the U.N. record has been generally negative: to concede that this has been in part a result of deep frustrations in the Arab world is only partially to condone the frequent bouts of extremism in recent years, including notably the reception of Arafat in 1974. For a great many Americans, that extremism has obscured the still-central importance of Security Council Resolutions 242 and 338—dated as these are with respect to the language concerning the Palestinians—and it has most certainly contributed mightily to a marked and disturbing change in sentiment toward the organization in wide sectors of U.S. opinion. Again, if this crucial conflict could be moved into constructive negotiation, the whole relationship between the United Nations and the United States might change significantly.

This brings me to the state of international law and of U.S. attitudes toward it. And here I could illustrate what seems to me a fundamental lesson—not new to this period but surely reinforced during it—by the final decision of the Reagan

[26] Brian Urquhart, "International Peace and Security: Thoughts on the Twentieth Anniversary of Dag Hammarskjold's Death," *Foreign Affairs*, Fall 1981, pp. 1–16.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Administration not to accept the Law of the Sea Treaty.[27] In effect, by declining to accept what was concededly a difficult framework for the future mining of minerals in the deep seabed—in an overall negotiation conducted over the years by a series of able U.S. negotiators and approved by successive Administrations up to the present one—the United States put itself in the position of not being a signatory to a formal structure of sea law that also includes crucially important codification of provisions concerning transit of sea and air lanes, not to mention other provisions relating to science and other commercial activities. Those who defend the Administration's position assert that in some future confrontation concerning such transit, we should be able to rely on a "customary law" status governing U.S. rights; this seems to me, and to many closer to the issue, a frail assumption.

The point, I believe, should be clear. Over and over again the United States has relied, and must rely, on the basic principles of the U.N. Charter and on international law. The examples are legion, from Korea to U.S. support for Britain in the Falklands War and the U.S. objections to the settlement policies of Israel's Likud government in the West Bank.[28] That the U.N. Charter in particular may occasionally be invoked corruptly does not diminish its enduring significance as a vitally important code on which, in its own national interest alone, the United States will need to rely frequently in the future as in the past. In that crucial sense, international law—vague and unformed as it is in many respects—is not merely, as Justice Holmes said of law in general, a "brooding omnipresence in the sky." It has concrete importance, not merely for U.S. public opinion but for the enlisting of important support from other nations in meeting and controlling threats to the peace.

This is not by any means to say that international law always can be controlling. In Grenada, for example, it is my belief that we were justified in acting despite the tenuous nature of the legal justification.[29] Time alone will not always permit getting the ducks neatly into their legal row. Moreover, as the Grenada case illustrated in extreme form, regional groupings capable of effectively defining norms of conduct in other areas are often inexperienced and unaccustomed to their new role—and on occasion subject to external pressures on individual nations. The emergence of such groupings is indeed a striking feature of this period—the Organization of African Unity, the Association of Southeast Asian Nations, the Islamic Conference, and the Contadora group are important examples. The views of such groups deserve serious consideration at all times from the standpoint of overall U.S. policy; in many cases they both condition the framework and should be guided on. But they are seldom today in a position to do more than define general approaches. They cannot be relied on entirely, especially in terms of defining even customary new international law.

Yet such cases as Grenada should surely be treated as the exceptions to a

[27] The story of the negotiations can be readily traced in successive articles in *Foreign Affairs*, culminating in Leigh S. Ratiner's "The Law of the Sea: A Crossroads for American Foreign Policy," *Foreign Affairs*, Summer 1982, pp. 1006–1021. A more systematic and comprehensive treatment will shortly be appearing in a book by John Temple Swing.

[28] The legal basis for objecting to these settlement policies is carefully discussed in Ian S. Lustick, "Israeli Politics and American Foreign Policy," *Foreign Affairs*, Winter 1982/83, pp. 392–393.

[29] Specifically, one is forced to conclude from the evidence that the appeal by the Organization of Eastern Caribbean States was not unanimous or clearly covered by applicable provisions, and that the appeal of Governor General Paul Scoon of Grenada was not received, or at least reported, prior to the invasion. See "Britain's Grenada Shut-out," *The Economist*, March 10–16, 1984, pp. 31–40.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

general rule. I believe that there is an enduring need—made more acute by recent events and U.S. attitudes—to rethink whether we are not, partly because of our national faith in the role of law and partly because of concrete national interests, "at heart on the side of law."[30] This must mean that we should also be at heart on the side of supporting and strengthening the U.N. Charter and the legal framework of the United Nations wherever possible, doing our utmost to reverse the trend of recent years.

The operating organizations under the United Nations are significantly different, and should be judged on a case-by-case basis. Some have indeed been politicized and almost all are run at inferior levels of competence, derived heavily from patronage recruitment and the fact that too many who are ostensibly U.N. servants are in fact under the total control and direction of their national governments. These are serious flaws, and the downright protest actions the United States has felt compelled to take in the case of the International Labour Organisation and now in the United Nations Educational, Scientific and Cultural Organization seem to me to have been basically justified. But again we must recognize that many of these operating organizations play highly constructive roles both in global terms and in terms of U.S. national interests. We take this for granted in the case of the World Bank and IMF, but it is surely true of several other action organizations under the U.N. umbrella. That we properly object to what has happened in a few U.N. organizations must not diminish our support for others.

X

I turn now to the management of U.S. foreign policy, starting with the relationship between the Executive and Congress. The subject is too vast to do more than touch briefly on it, but few would doubt that it has now become central. Over and over again, in this period, Congress has intervened to modify, dictate or obstruct foreign policy actions, not to greater degree or effect than in the interwar period but on many more issues. That some of its legislation of these years has now been thrown in doubt by the Supreme Court's decision on the "legislative veto" cannot obscure the extraordinary importance of its role in both specific and general terms, as well as in controlling the agenda of successive administrations. Today more than ever, the role of Congress is of wide-ranging importance, and though our constitutional system is often the despair of foreign governments, its roots lie deep in our national beliefs; basic change would be a formidable undertaking from any standpoint.[31]

To draw from the pages of *Foreign Affairs* alone, two distinguished Senators of different substantive views have expressed deep misgivings, each at times when his Party controlled the Congress or at least the Senate. In 1979, J. William Fulbright wrote: "I confess to increasingly serious misgivings about the ability of the Congress to play a constructive role in our foreign relations."[32] And in 1981, John Tower compared the situation to the interwar years and concluded that "Congress has inhibited the President's freedom of action and denied him the

[30] This is a corruption of a statement by Ralph Waldo Emerson, reproduced on the wall of Hunter College in New York City. The full quotation is: "We are of different opinions at different hours, but we always may be said to be at heart on the side of truth."

[31] For particularly thoughtful proposals for possible structural change, see Lloyd N. Cutler, "To Form a Government," *Foreign Affairs*, Fall 1980, pp. 126–143.

[32] J. William Fulbright, "The Legislator as Educator," *Foreign Affairs*, Spring 1979, p. 719.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tools necessary for the formulation and implementation of American foreign policy."[33] Senator Tower's focus was on the need to repeal what he saw as unwise specific legislation, Senator Fulbright's on the role of legislators as leaders and educators and the need to train and condition them to this role. Others, notably Congressman Lee Hamilton and then Deputy Secretary of State Warren Christopher (again both writing when their parties commanded majorities in the Congress), have urged the importance of effective communication and consultation and of what Mr. Christopher called "a compact" between the Executive and the Congress.[34]

Recommendations along these lines have been made by others, though seldom as clearly or eloquently. Their central thrust surely deserves serious attention. Obviously, one's view of a particular congressional intervention is heavily influenced by personal preference; each of us could pick out many examples (differing to taste) where Congress has acted usefully. But a great many today would surely agree, at a minimum, that the present system is extraordinarily cumbersome and fragmented (in part because of changes within the Congress itself and the increasingly adversary positions of the two major political parties), and that the burdens it imposes on pursuing any coherent foreign policy are today excessive, not to mention the great and increasing strain that dealings with the Congress, under present customs, imposes on senior executive officials in the foreign policy area.

In short, there is a need for all of us to rethink this problem. Much can surely be done to maintain the proper constitutional role of the Congress and at the same time to reduce unnecessary frictions and make the whole process work much more efficiently. I cannot believe that the Founding Fathers, if they were brought back today, would have wished their (and our) treasured principle of checks and balances to be carried to the extent visible in far too many examples today—when the United States must conduct a global foreign policy and can affect an enormous number of situations, in which our national interests are deeply engaged, by inaction as much as by action.

But the problems of the Executive branch itself may be equally serious. In the handling of the policymaking process the lessons of these dozen years, alas, have been mostly negative.[35] Admitting always that Presidents must run the show as they wish, it remains surprising that recent incumbents have had to relearn, at great cost, lessons stamped in the memories of the now-large body of constant observers and past participants. Teamwork and a measure of order are essentials we neglect at our peril.

Even graver, in my judgment, is the problem of training and using to the full the true professionals. I am one of many who started as amateurs and graduated osmotically to full guild status; the fact that our system allows and encourages this kind of lateral entry, not just in political positions, is much more a strength than a weakness. But, whether in-and-outers or stayers, senior officials must always depend heavily on the advice and special expertise of the Foreign Service in particular. No one who has worked with that Service, with our military and

[33] John G. Tower, "Congress Versus the President: The Formulation and Implementation of American Foreign Policy," *Foreign Affairs*, Winter 1981/82, p. 246.

[34] Lee H. Hamilton and Michael H. Van Dusen, "Making the Separation of Powers Work," *Foreign Affairs*, Fall 1978, pp. 17–39; Warren Christopher, "Ceasefire Between the Branches: A Compact in Foreign Affairs," *Foreign Affairs*, Summer 1982, pp 989–1005.

[35] See William P. Bundy, "The National Security Process: *Plus Ca Change. . .?*" *International Security*, Winter 1982/83, pp. 94–109.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

intelligence people, or with the true professionals on the economic front can fail to recognize their extraordinary dedication and generally high personal quality and capacity.

In these twelve years the Foreign Service has gone through great and needed changes, in its breadth of origin and in the role of spouses; these are right and indeed overdue. Moreover, it has become in this period a much more dangerous and disagreeable profession—the Teheran hostages were only the outward and visible signs of security and living problems that now prevail in many if not most areas.[36]

There is only so much that can be done about these conditions of work abroad, although they are reason enough for looking hard at the state of the Service. What concerns me as much is the problem flagged repeatedly earlier, namely our failure to anticipate emerging situations that affect U.S. national interests. Crisis management is heady stuff; it can too easily become addictive, at the expense of constantly running through the inventory of latent concerns so that the grease does not go just to squeaky wheels. This above all is a job for professionals with a feel for foreign societies; we need to have many more who immerse themselves for long periods in important or potentially important countries, especially in the Third World.[37]

And they need to be listened to. As things now stand, not only the Washington policy structure but local ambassadors are too often not amplifiers but mufflers of doubts and concerns that tend to develop particularly among younger individuals or those without day-to-day policy responsibility—simply because the latter, in the nature of things, get around more and have their pores wider open. I am thinking here of Iran and recent examples, but of course with special feeling about Vietnam through the years.

Part of the problem is, as I just said, simply overloading and preoccupation—though there must be ways to ease these by strengthening the engine-room floors of the State Department and bringing the professionals more into policy thinking and planning. Some of it, however, stems from appointment practices that wisely advised Presidents can do something about. The fluctuating percentages of political appointments to ambassadorships abroad are a guide but an incomplete one; one could readily name people with ingrained political feel who have succeeded brilliantly, as well as situations where a representative especially close to a given Administration was the right ticket. But we are seeing a steadily increasing number of appointments with neither justification.

So there is surely a lesson here, and a job, for those who advise Presidents, for the Senate Foreign Relations Committee, perhaps for a way of getting the judgment of past senior professionals.[38]

[36] Since early 1973 four U.S. Ambassadors have been killed at their posts along with at least six other senior members of Embassy staffs. The most dramatic terrorist action (not included in these figures) was the truck bombing of the Embassy in Beirut in April 1983, in which 21 Americans were killed.

[37] This need may apply particularly to CIA agents under what is called deep cover, with no operational mission. It is my strong impression that, after the post-Watergate investigations of the mid-1970s, the Agency's necessary covert intelligence functions have not fully recovered and are at present being excessively subordinated to the present Director's preoccupation with covert operations. In my judgement, local intelligence deserves at least as high a priority as intelligence directed at Soviet representatives.

[38] In 1977, the Carter Administration convened a useful panel that included such past senior officials. Proposals for a more permanent structure for advising on the qualifications of proposed appointees are now being considered by the recently created Academy of American Diplomacy in Washington.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Finally, as many have now pointed out, we have a national problem in training and developing area and language competence, as much for private as for public needs.[39] Surely it is paradoxical that in a time that has seen a large increase in the scale of American activities abroad, the store of real expertise has, by common consent, shrunk. Disillusionment with government service may be part of the cause, but the biggest one is that we, all of us, have simply not been paying attention or seeing that the necessary resources and backing are provided.

XI

Finally and inevitably, I come to the state of American public opinion. It is the subject on which I feel least at home: an Editor cannot do his job and hold his finger up to the wind constantly, though as a citizen he must always be acutely aware that in the end it is public opinion that defines, and in our democracy must define, the limits of foreign policy and often its specifics. Our cartoon oracle Pogo's memorable statement "We have met the enemy and he is us." is basically true, only wrongly put in that public opinion is never an "enemy" but a beating heart in which we all share.

When Alexis de Tocqueville expressed his doubts about the ability of a democracy to conduct foreign policy,[40] even he (who did foresee the emergence of the United States and Russia as dominant powers) can hardly have envisaged the scope of international relations and of U.S. foreign policy today. Still less would he have dreamt of the degree of pluralism in our society today. On an overall reading, and for all our remaining faults, we have done in the last 50 years an extraordinary job of bringing almost all elements into some sense of sharing in power and responsibility—a process that owes much, as Joseph Alsop in particular has noted, to Franklin and Eleanor Roosevelt.[41] That these diverse parts of our national being feel special concerns over particular nations and causes abroad is, in essence, no different from the feelings of many with British ties when Britain was threatened in 1940–41.

As for the excessive intrusion of special economic interests, in foreign or in domestic policy—hard to separate on economic matters today—anyone with an ancestor at the Hartford Convention of 1815 had best not be first to pick up a stone. Both types of special interests do need always to be set in a central framework of U.S. national interest, and I suspect that the concerns expressed by one of our most balanced and thoughtful leaders, Senator Charles Mathias, are widely shared.[42]

But we are, proudly, a varied nation and, since (as Judge Learned Hand reminded us in a time of deep trouble) we are also descended from a long line of chattering apes,[43] we are also disputatious, Americans perhaps especially so, and incurably addicted to argument and a high degree of trial and error—which *was* much of de Tocqueville's point.

Yet this need not mean, and for a quarter-century after 1941 did not mean, that we have to be hamstrung by division. Then we had a working consensus.

[39] See The Presidential Commission on Foreign Language and International Studies, "Strength Through Wisdom: A Critique of U.S. Capability," November 8, 1979, Washington: GPO, 1979.

[40] The key passage is quoted in Fulbright, *loc. cit.*, p. 719.

[41] Joseph Alsop, *FDR: A Centenary Remembrance*, New York: Viking, 1982.

[42] Charles McC. Mathias, Jr., "Ethnic Groups and Foreign Policy," *Foreign Affairs*, Summer 1981, pp. 975–998.

[43] Learned Hand, "Liberty," in *The Spirit of Liberty*, New York: Knopf, 1952, pp. 152–53. This passage is from an address that is a superb argument for freedom of the individual; it was delivered to a college audience in May 1941.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Might we rediscover such a consensus today? Those who most bemoan and assign reasons for its loss seldom if ever come up with their own proposals. I suspect there is no answer today—and that we have to resign ourselves to the fact that the wartime and postwar consensus was a condition that could only survive so long as the dominant fact of world politics was major hostile power threatening clearly vital areas already familiar to us.

As the East-West conflict moved into Third World areas, we were headed for trouble, and now that the whole board has become lit up it is just too much to expect that a single line of approach will command solid and unquestioning support. After all, even the cleavages that rend us today over Central America are ones long familiar in related societies—one has no doubt which sides William Ewart Gladstone or Benjamin Disraeli would be on.

Even such philosophical or moral divisions can, however, be moderated. These 12 years started with a Republican President stealing the clothes of the Democrats over China; they have ended with two Administrations that started left and right of the postwar mainstream moving visibly toward the center on many issues. *If* we could ease up on the emotional stops, *if* our leaders at both ends of Pennsylvania Avenue were much clearer and fuller in expounding (or attacking) foreign policy, *if* we reached out to each other with much more effort at understanding, we would not suddenly agree on a particular compass course, but we might well find at least a quadrant of agreement.

In the end I think those "ifs" are doable. And for that and other reasons I am by no means as pessimistic for the future as the body of this article might suggest. Things have been much darker before, and again and again this vital, unpredictable but still extraordinarily energetic society has risen to the occasion. I have a gut faith that it will do so again. Yet, as Justice Brandeis put it, "the mode by which the inevitable comes to pass is through effort."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COMMENT AND CORRESPONDENCE

STRATEGIC DEFENSE

To the Editor:

In their article, "Nuclear Policy and the Defensive Transition," in your Spring 1984 issue, Keith B. Payne and Colin S. Gray provide a closely argued analysis in favor of a "defensive transition" in strategic nuclear policy utilizing new ballistic missile defense (BMD) technologies. Indeed, the great fault of their article is that it is too closely argued. Payne and Gray lose sight of broader diplomatic and security considerations in their understandable enthusiasm to escape the worst aspects of a purely offensive strategic posture. Regrettably, their approach would create political tensions and military uncertainties even more severe than those we face under prevailing arrangements.

The goals of a BMD program as envisioned by Payne and Gray are both worthy and attractive, but they can become functional realities only if 1) both superpowers develop comparable BMD systems at the same rate and deploy them on the same schedule; and 2) technological innovation does not once again alter the balance between nuclear offenses and defenses in favor of the former. Only under these two conditions could a BMD proceed without reflexive developments by both superpowers of offensive weaponry capable of overwhelming the new defensive technology.

Promotion of a BMD along a "natural course of development," insulated for long periods of time from the diplomatic process, bodes ill for a successful "defensive transition." Payne and Gray believe that the United States should "revise" the Anti-Ballistic Missile treaty (i.e., delete provisions limiting BMD deployment) and probably withdraw from it altogether "relatively late in the 1980s." They offer no suggestions for positive bilateral management of BMD technologies, nor do they even discuss the question. Yet without such deliberate oversight, real or imagined unilateral advantages garnered by an adversary would provoke fears dwarfing the authors' own present-day concern about Soviet ABM radar installations.

If a presumed Soviet "creeping breakout" from the ABM treaty justifies development of a U.S. BMD because such action "degrades" the U.S. deterrent, then the search for countermeasures in a deregulated strategic defense environment would know no bounds. The outer space treaty of 1967, which effectively prohibits orbital nuclear devices, would logically come under attack from concerned Americans as well as Soviets seeking to provide insurance against the uncertainties of future BMD development through the use of "high frontier" deployments. The authors' rationale for withdrawal from the ABM Treaty could easily be adapted to justify the demise of the outer space agreement. Unfettered research and engineering would be viewed as the only reliable means at hand to avoid "vulnerability" and develop "comprehensive" strategic systems. Patriotic concern and hot-house calculation, once unleashed from the confines of the ABM treaty, would surely lead to the inauguration of space-borne strategic deployment previously foreclosed for the good of all by political agreement.

Payne and Gray do not sufficiently perceive the dangers involved in discarding established treaties without providing for effective political substitutes. Our undoubted technical right to withdraw from the ABM Treaty due to the failure

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of SALT II, a fact upon which the authors place much emphasis, would if invoked severely reduce the utility of superpower diplomacy. Under conditions of technological fluidity and annulled agreements, the Soviets would likely avoid serious negotiation for the foreseeable future. They would view American diplomatic initiatives as attempts to undermine their own BMD, anti-BMD, and offensive programs. On the other hand, American willingness to scrap the ABM treaty would probably lead the Soviets to place less reliance on BMD agreements as an effective means of limiting U.S. behavior. This would tend to upset the authors' calculation that Soviet technical inferiority might bring the U.S.S.R. to the bargaining table. Unequal capabilities certainly did not enhance the prospects for arms control during the 1950s, when primary diplomatic contacts were only marginally more tenuous than they are today. Only the return of relative technological stability would offer both superpowers a sufficient incentive to negotiate new arms control treaties. If Payne and Gray are correct about the timetable for a "defensive transition," this could take upwards of two decades.

In the meantime, the world will very likely pass through one of the tensest periods in human history, replete with mass starvation, resource shortages or embargoes, severe ecological dislocations, financial crises, frequent coups and revolutions, and the like. Considering that the Second World War had its immediate origins in the Great Depression and the denial of vital raw materials to Japan, irrational and violent responses under severe stress are a danger that even nuclear arsenals and embryonic BMD programs do not rule out. The worst nuclear crisis of the cold war, involving Soviet missiles in Cuba, occurred in a period of relative global prosperity and stability. The most severe tests of offensive deterrence may still await us.

If Payne and Gray have their way with long-range BMD planning today, we will face these daunting future prospects without the benefit of an ongoing diplomatic relationship rooted in serious arms control agreements. In place of negotiation would come unrestrained technological competition and the lurking possibility that renewed offensive supremacy would abort the "defensive transition" which alone could deliver us from arms deregulation. Wisdom and common sense demand that our nation refuse to embrace a unilateral initiative which sacrifices a limited but essential diplomatic process without providing in its place a demonstrably equivalent or superior degree of security. On the other hand, a BMD might very well live up to its promise if its development and deployment became a joint venture negotiated by the superpowers. Only through such deliberate means could the attractive aspects of a BMD be obtained at an acceptable level of risk.

KEITH SCHLESINGER
Northwestern University
Evanston, Ill.

Messrs. Payne and Gray reply:

There is much in Keith Schlesinger's letter with which we agree, probably more than its author would suspect. It is indeed likely that "positive bilateral management" through diplomatic negotiations would ease and help stabilize a defensive transition. For example, offensive force limitations and an agreed pace for defensive deployment milestones could enhance stability and contribute significantly to an effective defensive capability.

However, simply noting that cooperative management of the defensive transition would be preferred does not render it attainable. It is a truism that weapons

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

should not be developed simply as "bargaining chips" for negotiation. Unfortunately, it also is a fact that the Soviet Union does not engage in cooperative "bilateral management" of the arms competition in deference to American notions of parity and stability, but rather in order to limit or halt U.S. force modernization programs. This principle has been illustrated consistently in the historical record of the strategic arms talks: the Soviet Union will negotiate an agreement only when the United States has bargaining capital with which to negotiate. Manifest strategic modernization programs are thus the key to achieving bilateral management of the arms competition.

Unfortunately, the tortured and torpid process of U.S. strategic modernization will provide little bargaining capital to encourage Soviet cooperation. The Soviet leadership is well aware that U.S. and NATO domestic politics alone are likely to slow or eliminate modernization programs even in the absence of negotiated restraints. The extraordinarily difficult course of U.S. offensive programs and the hard road that any defensive program will confront will not provide a particularly effective basis for achieving negotiated "bilateral management" of a defensive transition. Nevertheless, the notion of attempting to ease the transition through diplomatic initiatives deserves support

Mr. Schlesinger suggests further that revision or withdrawal from the 1972 Anti-Ballistic Missile treaty would "severely reduce the utility of superpower diplomacy" and lead the Soviets to avoid negotiations. Yet, he offers a curious juxtaposition of cause and effect. The Soviet Union already has abandoned the negotiation process; and altering the ABM treaty would not reduce the utility of superpower diplomacy, but would reflect the limited utility that process has provided over the past decade. The need to revise the treaty would be much reduced had the diplomatic process achieved any significant benign effect on the strategic balance or ameliorated the political conflict that is the basis of U.S.-Soviet arms competition. The inadequacy to date of diplomacy to achieve any manifest reductions in the danger of nuclear conflict suggests that President Reagan's strategic defense initiative be given every serious consideration—while simultaneously attempts are made to renew and enhance the prospect for diplomatic success.

To the Editor:

In his article, "Ballistic Missile Defense: The Illusion of Security," in your Spring 1984 issue, William Burrows expresses regret that no one is considering Moscow's political response to the President's strategic defense initiative (commonly known as "star wars"). His desire for better research in this area is commendable, but I doubt it will produce the answers he is hoping for.

In the first place, we must recognize that the Soviet Union, unlike the United States, has never neglected strategic defenses. Whereas the United States has abandoned the concept of air defense, the U.S.S.R. has an extensive air defense capability. Similarly, whereas the United States has no significant civil defense, the U.S.S.R. has a massive civil defense program.

It is important to note that Soviet defense specialists, in contrast to their Western counterparts, have never accepted the concept of an absolute weapon. On the contrary, they believe that the postwar dominance of strategic offensive weapons over defensive technology is an anomaly that is bound to disappear as a result of scientific developments. This position was stated very clearly and authoritatively by the Chief of the General Staff, Marshal N.V. Ogarkov, in his 1982 booklet, *Always Ready to Defend the Fatherland*. In Ogarkov's words:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> *The experience of past wars convincingly demonstrates that the appearance of new means of attack has always inevitably led to the creation of corresponding means of defense*, and in the final analysis to new means of conducting battles, engagements, operations, and wars as a whole. . . .
>
> *This applies fully even to the nuclear-missile weapon*, the creation and rapid growth of which forced military-scientific thought and practice to actively work out means and measures of countering it. In its turn, the appearance of means of defense against weapons of mass destruction predetermined the perfecting of nuclear-missile means of attack. All of this confirms the conclusion that the unbroken struggle between means of attack and defense, i.e., between weaponry and military technology, is one of the leading sources of the development of military affairs as a whole. (Emphasis added.)

Soviet statements about strategic defense, to the extent they address the question of stability at all, simply label any Soviet defensive program as stabilizing and any American program as destabilizing. Their criteria are political rather than technical. And since these statements preceded President Reagan's "star wars" speech, it is apparent that the United States is not the initiator of a transition toward strategic defense.

Finally, Soviet military writings as a rule do not express any interest in the desirability of limiting strategic defense through arms control. On the contrary, as Ogarkov points out, the development of defensive weapons to counter offensive weapons is an "unbroken" law of history that has "always inevitably" applied in the past, and which consequently can be expected to apply in the future regardless of any subjective desires to change it. So long as the Soviet leadership holds to these views, it is clear that Moscow will pursue its own strategic defense initiative no matter what the United States does.

STANLEY KOBER
Arlington, Va.

Mr. Burrows replies:

Mr. Kober's brief disquisition on Soviet defensive doctrine is interesting, but stops short of grappling with the real issue, and in so doing follows the pattern that has set the agenda for the arms race in general.

It has been well established that the Soviet Union has invested heavily in shelters for its civilian population and top political and military leadership, in ground-to-air missiles, fighter-interceptors to fend off U.S. Strategic Air Command (SAC) bombers, long-range phased-array radar (possibly as part of an enhanced ballistic missile defense system), and even keeps 64 ABMs positioned for the defense of Moscow. That this suggests the Kremlin is making a serious commitment to defense is unarguable. What ought to be asked, however, is whether it will all work (whatever "work" really means). The answer, of course, is that nobody knows for certain because the system has never been tested.

The overwhelming evidence suggests that by almost any definition, defense against massive nuclear attack is virtually meaningless given the enormous destruction that can be caused by relatively few warheads.

To assert that the Soviet Union is building large complexes of shelters to protect its population is not to say that they will make any real difference in the event of war. What matter that most Russians living in cities will physically survive a nuclear attack if they emerge from their shelters to find nothing but irradiated rubble and a nuclear winter?

To assert that Soviet borders are protected by hundreds or thousands of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fighter-interceptors, while we have all but abandoned our own air defense system, is not to say that Soviet borders are really protected. It might be recalled that it took the better part of two hours for those Russian SU-15 pilots and their ground controllers to find and shoot down the Korean Air Lines 747. If it took them that long to locate, track, and destroy a lumbering and very conspicuous airliner flying at upper mid-altitude—"Main Street," as our fighter pilots call it because it invites attack from above and below—how might the Russians fare against an onslaught by hundreds of bombers and 1,000 or more fighter-bombers coming at them at near-supersonic speed, at terrain-hugging altitudes of 100 feet or lower, and with radar-jamming and other electronic countermeasure equipment?

Marshal Ogarkov may indeed believe that the dominance of strategic offensive weapons will disappear because of scientific developments in the defensive area. But it is impossible to support such a contention while at the same time taking into account ongoing scientific development of new offensive weapons, including those specifically designed to knock out the defense.

TROPICAL RAIN FORESTS

To the Editor:

I applaud *Foreign Affairs* for presenting Nicholas Guppy's excellent article, "Tropical Deforestation: A Global View," in your Spring 1984 issue. Guppy's views will doubtless prompt abundant comment. For my part, let me point out a few additional facts.

First, the tremendous supply of low-cost tropical plywood and veneer coming into the United States drove down real prices for a long period after the Korean War. As a result, thousands of Americans lost their jobs as U.S. mills closed, unable to compete. At the same time, the timber-exporting nations enjoyed very little of the employment generated, and little of the value added, skill-building and other economic benefits. Most of these were enjoyed by the more prosperous nations of Japan, South Korea, and Taiwan, where logs were converted into plywood and veneer. So, the liquidation of tropical hardwoods has cost America jobs, and gained few for the exporters themselves. Guppy's proposal for a timber-exporting cartel could partially rectify this situation by helping timber exporting nations to capture a substantial share of the employment and value-added benefits now siphoned off by others who currently import tropical hardwood logs. (Individual nations have attempted this and failed.)

The current lumber pricing structure has created further ironies in the U.S. market. The hardwood forests of the United States have been gaining in volume and in acreage since the 1930s. In New York State alone, hardwood timber volume increased by 41 percent from 1968 to 1980. While many of these trees are of low quality and relatively small size, many can and do make plywood and lumber. To make plywood a bit cheaper, we have been liquidating extremely valuable forests in the tropics, while our own ecologically resilient hardwood forests have gained in volume. Have these products served a unique purpose, met a powerful social need? No. The bulk of the tropical plywood and veneer imported into the United States has one virtue: low price. Most of it has been used to panel basements, laundromats, and summer cottages. We are razing irreplaceable ecological cathedrals in the tropics to panel our bathrooms at a slightly lower cost.

Guppy's emphasis on the effects of low timber values is certainly sound. Once

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S. timber values reached a certain level, private capital began to be invested in growing trees. But there is some question in my mind whether active cultivation of tropical trees in plantations or otherwise will be able to conserve the genetic resources and ecological values which Guppy's article so eloquently describes. First, he notes that the full ecological diversity that is so important only develops after centuries of stand growth. It is inconceivable that stands being grown primarily for timber would be permitted to reach such ages.

Finally, forestry is a long-term venture, demanding a measure of financial, political and social stability before it is undertaken by governments or by private entities. Few of the nations in Guppy's list of 17 candidate timber-cartel states display these traits. Why plant trees if the profits will be expropriated by the next junta? This is why Guppy's emphasis on social and political conditions as a fundamental cause of tropical deforestation is so important. It is why, however, much as a timber cartel or a World Bank loan may help, the forests will continue to dwindle until these nations attain a measure of economic, social and political stability.

LLOYD C. IRLAND
State Economist
Maine State Planning Office
Augusta, Maine

To the Editor:

Nicholas Guppy's technical errors and tendency to accelerate existing trends lead him to draw an overly pessimistic picture of the problem of tropical deforestation.

While Guppy acknowledges the huge contribution to our knowledge of the extent of tropical deforestation provided by the United Nations Food and Agriculture Organization's recent study, he fails to heed the FAO admonition in the same document against "over simplification and globalization."[1] For example, he states (incorrectly) that the FAO study found "the area cleared each year is 157,000 square kilometers." He then asserts that "unless we can halt this destruction, straight line projection gives a date 73 years ahead (2057) for the final demise of this currently vast, irreplaceable sector of our planet." The FAO report, however, clearly shows that rates of deforestation vary considerably across regions. For example, while the current rate of deforestation implies that the Ivory Coast forest would cease to exist by the year 2000, those same data show that many of the large tropical forests of Central Africa are in a state of "ecological equilibrium."

Besides the problem of generalizing to the whole something that is true for only a part, there are several technical errors which seriously inflate Guppy's projections of tropical deforestation. First, while the 157,000 square kilometers includes (but is not limited to) the FAO's estimate of "area being cleared" on all tropical forests, *open and closed*, Guppy's straight-line projection results are obtained by extrapolating this estimate on the *closed forest only* (Guppy's Table I), thereby overstating the rate of deforestation. Furthermore, his figure of 157,000 square kilometers includes the FAO estimate of 44,000 square kilometers of forests which are "logged each year, but not cleared" (FAO, p. 100). Hence the figure that he uses is not that of the "area being cleared" at all, but

[1] Jean-Paul Lanly, "Tropical Forest Resources," FAO Forestry Paper No. 30, Rome, 1982, p. 73.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is much larger. The actual FAO figures for the rate of clearing of tropical forest are 70,000 square kilometers for closed forest (p. 77) and 113,000 square kilometers for open and closed forest (p. 84). A straight-line projection of either of these figures on the relevant total forest area allows about 177 years before complete clearing of the closed (and also the open) tropical forest would occur, or over 100 years longer than Guppy's projection.

Obviously, no projections can be definitive. However, those presented by Guppy are not simply worst-case scenarios but involve the matching of definitionally different groups to present a much more pessimistic picture than can be justified by a careful, consistent consideration of the evidence.

The fact that tropical forests have a long regeneration period does not justify removing "them from the unrestrained action of market forces" as Guppy suggests. After all, there are a broad array of resources that are entirely nonrenewable, e.g., coal, hard rock minerals, that operate successfully in essentially unrestrained markets.

Proposals for some type of organization of timber-exporting countries, such as Guppy suggests, have been under discussion for some time. However, natural resource cartels have been notoriously unsuccessful in influencing production prices. Even the Organization of Petroleum Exporting Countries' apparent success is now being attributed to factors other than the economic power of the cartel. Besides the cooperation of its members, a critical element in the success of any cartel is that there are only poor substitutes for its product. While tropical wood has some applications that are unique and not readily substitutable by temperate climate wood, these constitute a relatively modest portion of their total industrial use. Most tropical hardwoods are used for the production of hardwood plywood and lumber which are directly competitive with temperate hardwood products and less directly competitive with coniferous plywood and lumber. Thus the potential market power of even a highly cooperating cartel is probably small.

Finally, even the successful creation of a tropical wood cartel is unlikely to have much effect upon the overall rate of deforestation. Most (perhaps 85 percent) of deforestation is the result of pressures for alternative land uses, e.g., slash and burn agriculture and conversion to traditional agricultural uses, and is not the result of commercial logging. The creation of a successful cartel will do little to address this dominating issue.

ROGER A. SEDJO
Director, Forest Economics
and Policy Program
Resources for the Future
Washington, D.C.

Mr. Guppy replies:

Mr. Sedjo is correct in concluding that I have used the worst-case scenario in making my 73-year projection, but in view of the steady acceleration of tropical forest destruction during the last 30 years, I believe this to be quite justified. I do not envisage that in the year 2057 there will be no trees in the tropics, but rather that there are unlikely to be natural forests. The forests that Mr. Sedjo describes as in ecological equilibrium can no longer be so held where large-scale logging has already commenced, as in Zaïre, Gabon or Cameroon. The argument that deforestation in Amazonia is accelerating exponentially and unstoppably is presented by Philip M. Fearnside, whose work is cited on page 942 of my article.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Can Mr. Sedjo cite substantial areas there where deforestation is slowing down or has ceased altogether?

I cannot find logic in Mr. Sedjo's argument that because we exploit unrenewable resources without restraint, we should do the same with renewable resources. I am a convinced believer in free markets wherever true demand-supply relationships hold, that is, where response is short-term. But in highly important special cases where response is exceedingly slow, as with forests, soil fertility, certain fisheries, and certain forms of pollution, I believe intervention is needed to modify market forces. And where governments fail so to intervene, the results are visibly disastrous.

So far as Mr. Sedjo's final two paragraphs are concerned, I would respectfully ask him to reread pages 958–963 of my article, where I believe these questions are fully discussed, and also the most interesting letter from Mr. Irland. I thank Mr. Irland for his letter, and I would draw his attention to pages 952–954, and also page 948, where he will see that I am proposing that plantations of a scale large enough for timber could relieve the pressures on natural rain forests which are currently used simplistically.

CHINA AND U.S. ACADEMIC FREEDOM

To the Editor:

I was surprised and a bit disappointed by the item referring to Stanford University in the Chronology section of your *America and the World 1983* issue, since it is just not very accurate. I also was disappointed at the reference to Stanford in Chalmers Johnson's article, "East Asia: Another Year of Living Dangerously," in the same issue.

The item in the Chronology reads:

> FEB. 24. Stanford University expels graduate student for publishing article on Chinese abortion practices despite official Chinese protests; student accuses university of yielding to pressure from Beijing government.

As the University has made clear since the Anthropology Department dismissed the student in question, Stephen Mosher, from its doctoral program, the reason was *not* the publication of the article; the Department feels that publication of data and conclusions is protected activity and not a basis for separation from the department. Even the fact that the article concealed the author's identity but not that of women undergoing abortions, contrary to anthroplogists' norms for professional behavior, was found to be excusable in a student. Only Mr. Mosher contends that the article was the reason for his dismissal, and he does so despite his knowledge of the actual bases of the decision, all of which are set forth in material supplied to him by Stanford.

I do not know what is intended by the suggestion that Mr. Mosher's article on abortion was published "despite official Chinese protests." So far as I am aware, the Chinese government's views were not sought before publication of the article, nor is there any reason they should have been. Let me acknowledge that it is certainly true that Mr. Mosher *accuses* the University of yielding to pressure from Beijing; it is not true that the University has yielded to such pressure.

The other reference to Stanford in the same issue of *Foreign Affairs* is Professor Johnson's assertion that the Chinese government "pressured Stanford University—which has an important collaborative project with China in high-energy physics—about a young doctoral candidate in anthropology who did fieldwork

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in a Chinese village [that is, Mr. Mosher]. Stanford subsequently refused to grant him a Ph.D." While it surely seems that the Chinese government wanted Mr. Mosher taken to task, this University is not its instrument; the suggestion is offensive and baseless, like the insinuation that Stanford is subject to pressure because of a putative collaboration between the University and China.

I do not know why a scholar would intimate that the existence of cooperative research is proof of corruption, but in any event there is no such project. Presumably, Professor Johnson is thinking of the U.S.-China protocol for research in high energy physics, to which Stanford, however, is not a party: it is a compact between the two governments. Professor Johnson may associate it with this University because part of the program has been carried out at Stanford Linear Accelerator Center, a national laboratory at Stanford (as Lawrence Berkeley Laboratory is located at the University of California). Stanford has no greater stake in this program than any other institution—which is to say, none at all, except those intangible benefits we all realize through the propagation of scholarship. It is only the Chinese who have anything immediate to gain or lose by this program. For the next several years at least, the program provides a one-way flow of information from U.S. to Chinese scientists. It is fair to conclude that the U.S.-China protocol does not provide the Chinese government leverage on Stanford.

So far as refusing to grant a Ph.D. is concerned, it may be of interest to your readership, though apparently not to Professor Johnson, that Mr. Mosher did not complete research on his Ph.D. topic nor submit to the University a dissertation satisfying the requirements of the degree. The impression created by Professor Johnson, like the details he mentions in support, is quite false. Mosher was *not* expelled from Stanford. Our Anthropology Department terminated his candidacy for a degree in that discipline. His academic record remains intact; the credits can be transferred elsewhere or he may seek a degree here in another field.

NORMAN K. WESSELLS
Dean of Humanities & Sciences
Stanford University
Stanford, Calif.

Mr. Johnson replies:

Dean Wessells doth protest too much, methinks. Stanford University acknowledges that it was pressured by the People's Republic of China to retaliate against Mr. Mosher for reporting the conditions he discovered in rural Guangdong Province and for describing China's merciless birth control program to the rest of the world. Yet Stanford's response is to attack him and anyone who inquires about his case. Stanford accuses Mr. Mosher of very serious although vague violations of professional standards in his research, but it gives no evidence and demands that the university's position be supported because of its authoritative reiteration of it. For those of us who have studied Chinese pressure tactics for the past 30 years, this is not enough. Skepticism is the only possible position, particularly since Stanford does not pretend to refute Mr. Mosher's findings in China. For further information on this matter, see Irving Louis Horowitz, "Struggling for the Soul of Social Science," *Society*, July-August 1983; and Peter Van Ness, "The Mosher Affair," *Wilson Quarterly*, January 1984.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Lucy Edwards Despard

General: Political and Legal

John C. Campbell

THE NON-ALIGNED, THE UN AND THE SUPERPOWERS. By Richard L. Jackson. New York: Praeger, 1983, 315 pp. $29.95. A Council on Foreign Relations Book.

It is somewhat ironic that the Nonaligned Movement should receive its clearest and most comprehensive treatment from an American author. Richard Jackson is an outsider, but he has studied the movement thoroughly and observed it as an American diplomat at the U.N., in Washington, and in several nonaligned states. Enthusiasts will find his book too cynical and negative; critics jaded by windy declarations about disarmament and the New International Economic Order will find it too sympathetic. What Jackson shows is how the nonaligned movement, and the overlapping "Group of 77", reflect the post-colonial world and how they have dominated the U.N. agenda. Among other things he describes the pushing and pulling within the movement, including Fidel Castro's attempts to steer it down the Soviet road.

HANGING TOGETHER: THE SEVEN-POWER SUMMITS. By Robert D. Putnam and Nicholas Bayne. Cambridge: Harvard University Press, 1984, 256 pp. $17.50.

The meetings of the leaders of the industrial democracies, from Rambouillet in 1975 to Williamsburg in 1983, are described and analyzed in this measured report by an American professor and a British diplomat, the best complete account yet published. While the focus is on the process of managing interdependence, and what these meetings have contributed to it, much of the substance of the individual economic issues comes into the discussion. For the most part the record, where societies are so open and the press so inquisitive, is publicly known; the authors use it judiciously and supplement it with numerous personal interviews.

MIDDLE POWERS IN INTERNATIONAL POLITICS. By Carsten Holbraad. New York: St. Martin's, 1984, 234 pp. $25.00.

The concept of middle powers raises problems of definition and classification; Holbraad recognizes these difficulties and nevertheless manages to bring order and rationality to his subject by tracing both ideas and practice through history, looking at a number of states systems (as varied as Europe after the Congress of

---

NOTE—BY SPECIAL ARRANGEMENT WITH THE SCRIBNER BOOK STORE, READERS OF FOREIGN AFFAIRS MAY OBTAIN NEARLY ANY BOOK PUBLISHED IN THE UNITED STATES AT THE PUBLISHER'S REGULAR LIST PRICE. WITHIN THE U.S., PLEASE ADD $1.75 PER BOOK FOR POSTAGE ON ALL ORDERS UNDER $50.00, PLUS APPROPRIATE SALES TAX. OUTSIDE THE U.S., PLEASE ADD $1.75 PER BOOK FOR POSTAGE AND $1.00 PER ORDER FOR REGISTRATION. SEND ORDERS WITH CHECK OR MONEY ORDER TO: THE SCRIBNER BOOK STORE, 597 FIFTH AVENUE, NEW YORK, N.Y. 10017. CREDIT CARD AND PHONE ORDERS ACCEPTED. TELEPHONE (212) 758-9797.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Vienna, the German states in the 19th century, the inter-American system, the League of Nations and the U.N., and the contemporary world of the superpowers) in which there were powers great and powers small and some in between trying to speak louder than the latter and to exert some influence on the former. Skeptical of self-serving claims, the author keeps his eye on the realities of power. This is a positive contribution to the understanding of international politics.

THE STANDARD OF 'CIVILIZATION' IN INTERNATIONAL SOCIETY. By Gerrit W. Gong. New York: Oxford/Clarendon Press, 1984, 267 pp. $37.50.

Those who wonder why today's world has such difficulty setting common norms of international behavior and rules of international law would do well to read this study of the 19th-century family of nations and the essentially European "standards of civilization" to which non-European nations, if they wished to join the family, were expected to conform. It describes how Turkey, China, Japan and Siam made the necessary adjustments while retaining their cultural individuality and their own concepts of international relations. Can there be universal standards of law and civilization in a world of cultural pluralism? Khomeini's Iran, among others, poses this question. This book is a fine example of the uses of history to define and illuminate a subject of great import.

General: Military, Technological, and Scientific

Andrew J. Pierre

WEAPONS AND HOPE. By Freeman Dyson. New York: Harper/Bessie, 1984, 340 pp. $17.95.

This is an intriguing and rewarding book, combining personal reflections with an analysis of strategic problems and some specific policy prescriptions. The book reveals Freeman Dyson to be a man of strong humane instincts, aware of the political and technical complexity of our nuclear dilemmas, and searching for solutions at the most fundamental level. Understanding the intellectual universes of the military establishment and weapons scientists, as well as that of the peace activists, he seeks to explain their differing assumptions to each other. The most important sections, however, deal with strategic analysis and in particular with anti-ballistic missile defenses. Dyson rejects the concept of Assured Destruction, arguing that it is not shared by the Soviet Union and that it is immoral, and suicidal in its vulnerability to accident or human folly. He recommends moving toward a defense-dominated world and proposes the adoption of a *non-nuclear* ground-based ABM. The fly in the ointment is that this presupposes the severe curtailment of offensive forces, and Dyson's argument fails to acknowledge the difficulty of this major step. Nor does he deal adequately with space-based defense, in what is otherwise a truly admirable book.

THE ECONOMICS OF NATIONAL SECURITY. By Lee D. Olvey, James R. Golden and Robert C. Kelly. Wayne (N.J.): Avery, 1984, 404 pp. $35.00.

This book fills an important need: a comprehensive examination of the relationship between economic theory and practice, and defense spending and resource allocation. The product of a West Point team, it should be of value not only for advanced classroom use but for many who are well beyond academe. Economic analysis is applied in a lucid, yet sophisticated, way to such areas as defense capital and labor markets, mobilization, interdependence and vulnerability in foreign trade.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VAINCRE LA GUERRE: UNE AUTRE DÉFENSE, UNE AUTRE ARMÉE. By Général Étienne Copel. Paris: Lieu Commun, 1984, 246 pp. Fr. 69.

Published just as he was resigning as Deputy Chief of Staff of the French Air Force, this book is a head-on attack on France's nuclear strategy. It is all the more noteworthy because of Mitterrand's recently renewed emphasis on nuclear rather than conventional forces and the widespread political support for the *force de dissuasion*. General Copel compares France's reliance on nuclear deterrence to the unrealistic reliance on the Maginot line; nuclear weapons can only be used to deter other nuclear arms and therefore have limited utility. Yet his remedy will not please many who will be drawn to this line of argument, for Copel wants French defense to concentrate more on chemical warfare and the neutron bomb.

NUCLEAR WEAPONS IN EUROPE. By William G. Hyland, Lawrence D. Freedman, Paul C. Warnke and Karsten D. Voigt. Edited by Andrew J. Pierre. New York: Council on Foreign Relations, 1984, 118 pp.

Four authors, two European—Karsten Voigt and Lawrence Freedman—and two American—William Hyland and Paul Warnke, explore and explain in separate essays the diversity of views on both sides of the Atlantic. Although all four essays focus on the debate on the deployment of cruise and Pershing II missiles in Europe, they do so as part of a much wider analysis of East-West relations and their implications for nuclear defense and arms control. Much of the public debate since 1979 has suffered from an absence of well-argued analysis. The clear exposition in this book, the first of the Council's new series on European-American relations, will contribute to a significant improvement in the quality of the ongoing discussion.

John Roper

THE EUROPEAN MISSILES CRISIS: NUCLEAR WEAPONS AND SECURITY POLICY. Edited by Hans-Henrik Holm and Nikolaj Petersen. New York: St. Martin's, 1984, 282 pp. $27.50.

A good collection of essays that focus on the NATO dual-track decision of December 1979. The motivations for the INF deployment are correctly seen as political rather than military. This book was prepared for a conference in the spring of 1983, and although it has a great deal on the actions and policies before then, it offers little guidance about how to get on from the current situation of initial deployments completed and negotiations collapsed.

THE VERIFICATION OF ARMS CONTROL AGREEMENTS. Edited by Ian Bellany and Coit D. Blacker. London: Cass, 1984, 95 pp. (Totowa, N.J.: Biblio, distributor, $27.50)

As this short but knowledgeable book points out, verification of arms control agreements is not a black-or-white process. There are many gray areas, especially those created by the tension between achieving a high level of technical certainty versus the political desirability of achieving an agreement. Because new technologies may be more difficult to verify, assuring compliance may involve more elaborate methods of monitoring and inspection.

SMALL NUCLEAR FORCES AND U.S. SECURITY POLICY: THREATS AND POTENTIAL CONFLICTS IN THE MIDDLE EAST AND SOUTH ASIA. Edited by Rodney W. Jones. Lexington (Mass.): Lexington Books (for the Center for Strategic and International Studies, Georgetown University), 1984, 285 pp.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The authors look to a world in which countries in the Middle East and South Asia possess nuclear arms. They see regional and global security in far greater jeopardy than today, and go on to argue the need for improving non-proliferation policies through threats and promises. Political and economic sanctions are not ruled out.

ARMING THE HEAVENS: THE HIDDEN MILITARY AGENDA FOR SPACE, 1945–1995. By Jack Manno. New York: Dodd, Mead, 1984, 256 pp. $13.95 (paper, $7.95).

This book may be among the first of what is likely to be a rash of books on the "militarization" of space. Proper concerns about some space activities are overtaken by the author's sweeping condemnation of the entire space program. "The election of Ronald Reagan signaled the end of U.S. efforts even to pretend that American space activities would be dedicated to peaceful progress," says the author, a peace activist, in this superficial treatment.

THE NUCLEAR WEAPONS INDUSTRY. By Kenneth A. Bertsch and Linda S. Shaw. Washington: Investor Responsibility Research Center, 1984, 405 pp. $19.95.

The authors have culled considerable information on the 26 leading producers of U.S. weapons and equipment that contribute to our nuclear posture without falling into the snare of attributing all the nation's ills to "the military-industrial complex." With a number of major weapons systems ready for production, the nuclear weapons industry is said to be "poised for growth"; yet this may be disappointing in the longer term because of budgetary pressures, heightened public concern about nuclear weapons, and possible progress in arms control. The report takes up the difficult issue of planning for conversion of military-producing industries to civilian-oriented manufacturing, recognizing the problems involved.

General: Economic and Social

William Diebold, Jr.

IN DEFENCE OF THE MIXED ECONOMY. By Andrew Shonfield. Oxford: Oxford University Press, 1984, 231 pp. $15.00.

"The changing balance of public and private power" was a major theme of the late Andrew Shonfield's work. The material in this second posthumous volume (the first was reviewed in *Foreign Affairs*, Spring 1983) deals with a number of key issues such as government intervention in the economy, corporatism, the revolt against public spending, and the differences between French and German planning. A high point is the substantial section on Japan, a country Shonfield studied but had not written about. Lady Shonfield has done a remarkable job of putting this book together and preserving the valuable, if incomplete, thoughts of her gifted husband.

THE TWENTY-YEAR CENTURY: ESSAYS ON ECONOMICS AND PUBLIC FINANCE. By Felix Rohatyn. New York: Random House, 1984, 128 pp. $12.95.

In drawing together a number of his writings, some of them well known, Mr. Rohatyn has provided connective tissue and set them in the perspective of his general views about economics and the world. All the main subjects are here—

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

world debt, banks, Poland, Reaganomics, New York, the need for a new Reconstruction Finance Corporation and the troubles of the American economy.

THE POLITICS OF INTERNATIONAL CREDIT: PRIVATE FINANCE AND FOREIGN POLICY IN GERMANY AND JAPAN. By J. Andrew Spindler. Washington: Brookings, 1984, 220 pp. $29.95 (paper, $10.95).

This very enlightening book combines a series of case studies of the relations of government and banks in Japan and Germany with a thoughtful explanation of why things work the way they do. There is good material on the banking arrangements in each country and stress on the "natural convergence" of public and private interests in economics and foreign policy. The book ends with brief reflections on its implications for the United States, where these matters are ordered differently.

EUROPE'S INDUSTRIES: PUBLIC AND PRIVATE STRATEGIES FOR CHANGE. Edited by Geoffrey Shepherd, François Duchêne, and Christopher Saunders. Ithaca (N.Y.): Cornell University Press, 1984, 280 pp. $34.95.

This is a valuable collection of industry studies that pays attention to the policies of enterprises as well as governments. There is too much diversity (in the studies as well as the cases) to extract any clear formula for success, but one learns much about the many roads to trouble.

TRADE WAR: GREED, POWER, AND INDUSTRIAL POLICY ON OPPOSITE SIDES OF THE PACIFIC. By Steven Schlossstein. New York: Congdon & Weed, 1984, 435 pp. $17.95.

The author's banking background in Japan, and some good interviews, lend interest to this comprehensive tour of what is now rather familiar territory, comparing the business and government practices and attitudes of the Japanese with those of Americans. He concludes that the United States needs a trade and industrial strategy based on economic nationalism, because "the game of international commercial competition may well be a zero-sum game."

THE THREAT OF JAPANESE MULTINATIONALS: HOW THE WEST CAN RESPOND. By Lawrence G. Franko. New York: Wiley, 1984, 148 pp. $21.95.

This excellent, hard-hitting study argues that the international strength of Japanese firms is based on the size and other characteristics of their domestic market. Investment abroad to jump over trade barriers is not a source of strength, but locating production of standard products in low-wage countries is. Specialization is a key: the Japanese are not good at everything. The response called for from the West is to change the prevailing diagnosis (which says the Japanese will someday become invincible), widen horizons, do more R&D, build on Western strengths, and create a competitive domestic environment before it is too late.

ECONOMICS AND THE REAL WORLD. By Andrew M. Kamarck. Philadelphia: University of Pennsylvania Press, 1983, 165 pp.

Neither producers nor consumers of economic analysis should be taken seriously if they do not understand the fundamental points made in this outstanding book. From the collection of data through theory and the nature of econometric models, all the basic elements of economic reasoning are lucidly laid out and their limits exposed. Having spent his life using economic analysis to come to policy conclusions, Mr. Kamarck knows how to combine the general with the concrete to warn against thinking that we know more than we do.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CHOICE AND CONSEQUENCE: PERSPECTIVES OF AN ERRANT ECONOMIST. By Thomas C. Schelling. Cambridge: Harvard University Press, 1984, 384 pp. $20.00.

One of our brightest economists—who long ago wandered into strategic thinking and stayed for quite a while—here shows how economic reasoning throws light on a considerable variety of other subjects.

THE ANTINOMIES OF INTERDEPENDENCE: NATIONAL WELFARE AND THE INTERNATIONAL DIVISION OF LABOR. Edited by John Gerard Ruggie. New York: Columbia University Press, 1983, 506 pp. $35.00 (paper, $15.00).

Is a developing country better off for plunging into the mainstream of the world economy and coping with whatever pressures it is exposed to? Or is it wiser to try to "de-link" and shape its own economy and society as well as it can before it tries for the prizes of interdependence? The answer is not clear and is almost certainly different for different countries. These papers by able scholars concerned with both theory and practice throw much light on the issue and stress the difficulties of devising and carrying out policies that will make either course work.

REALITY AND RHETORIC: STUDIES IN THE ECONOMICS OF DEVELOPMENT. By P.T. Bauer. Cambridge: Harvard University Press, 1984, 184 pp. $15.00.

Professor Bauer's dissent from what he sees as conventional thinking about development has become well established. The ten papers collected here cover a fairly wide range of subjects, with special attention to Africa, and—as always—argue their case vigorously and clearly.

THE WEALTH OF POOR NATIONS. By C. Suriyakumaran. New York: St. Martin's, 1984, 315 pp. $30.95.

This interesting work by a veteran development planner from Sri Lanka is partly a history and partly an analysis of why the dreams of development that the author dates from the 1940s have become the soberer realities of today. He adds a number of prescriptions, some broad and others worked out in great detail to deal with particular problems that fascinate the author.

U.S. INTERESTS AND GLOBAL NATURAL RESOURCES: ENERGY, MINERALS AND FOOD. Edited by Emery N. Castle and Kent A. Price. Baltimore: Johns Hopkins, 1984, 147 pp. $18.00 (paper, $6.95). A Resources for the Future Book.

Every few years we need to take a look at the familiar questions of raw materials policy. Here, balanced, authoritative and up-to-date assessments of energy, food and minerals are topped off with a foreign policy commentary by Carl Kaysen and some broader political reflections by McGeorge Bundy.

The United States

Gaddis Smith

CAVEAT: REALISM, REAGAN AND FOREIGN POLICY. By Alexander M. Haig, Jr. New York: Macmillan, 1984, 367 pp. $17.95.

The former Secretary of State's "realism" consists primarily of advocating that the United States use power with a more explicit regard to spheres of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

influence. He criticizes the Administration (which he served from January 1981 until July 1982) for failing to deal with Central America by applying heavy pressure on Cuba, and for skirting close to dangerous provocation of the Soviet Union over Poland. In an American sphere we should be less inhibited; in a Soviet sphere, more inhibited. The book can also be studied profitably as another chapter in the long history of personal incompatibility between secretaries of state and the White House staffs.

RONALD REAGAN: THE POLITICS OF SYMBOLISM. By Robert Dallek. Cambridge: Harvard University Press, 1984, 221 pp. $16.50.

Mr. Dallek's interesting but not entirely convincing argument is that Ronald Reagan's ideology stems from a deep psychological need to repudiate the failure of his father, an alcoholic who was dependent on others. The welfare state symbolizes that dreaded dependency, while the Soviet Union represents the same thing in a malignant form. The book is recommended to those with a taste for psychobiography. Others will find more than sufficient explanation for President Reagan's ideas in the political history and culture of this country.

GLOBAL POLICY: CHALLENGE OF THE 80s. Edited by Morton A. Kaplan. Washington: Washington Institute for Values in Public Policy, 1984, 281 pp. $14.95 (paper, $9.95).

These essays and comments, based on a symposium held in 1981, are perhaps more interesting for their criticism of the Reagan Administration during its first year than they are as prescriptions for the future.

THE POWER TO LEAD: THE CRISIS OF THE AMERICAN PRESIDENCY. By James MacGregor Burns. New York: Simon & Schuster, 1984, 288 pp. $16.95.

A veteran academic commentator on the strengths and weaknesses of Presidents welcomes the polarization of politics wrought by Ronald Reagan and urges the Democrats to meet the challenge by finding "a leader who can move beyond the usual transactional skills" to a major transformation of American politics. The author favors amending the Constitution to break down the separation of Executive and Congress.

LOYALTIES. By Daniel Patrick Moynihan. San Diego: Harcourt Brace Jovanovich, 1984, 112 pp. $9.95.

Three incisive essays by the outspoken senior Senator from New York: one opposing the thinking, or lack thereof, behind the MX missile; another excoriating those who follow the Soviet line in equating racism and Zionism; and a powerful indictment of the Reagan Administration's disdain for international law.

THE SUPPLY-SIDE REVOLUTION: AN INSIDER'S ACCOUNT OF POLICYMAKING IN WASHINGTON. By Paul Craig Roberts. Cambridge: Harvard University Press, 1984, 328 pp. $18.50.

The author, who served as Assistant Secretary of the Treasury for Economic Policy in 1981–1982, is an articulate theoretician and true believer in supply-side economics. He enjoys flaying backsliders.

FIRST LADY FROM PLAINS. By Rosalynn Carter. Boston: Houghton Mifflin, 1984, 370 pp. $17.95.

These earnest, well-constructed memoirs depict a determined and informed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

politician who played a significant role as her husband's closest adviser. There is an interesting chapter on Mrs. Carter's 1977 trip to Latin America where she overcame the initial consternation of her hosts and conducted substantive talks.

PIECES OF THE GAME: THE HUMAN DRAMA OF AMERICANS HELD HOSTAGE IN IRAN. By Colonel Charles W. Scott. Atlanta: Peachtree Publishers, 1984, 407 pp. $14.95.

In this well-written and exciting account, one of the American hostages tells his story and interweaves it with an account of the life and thinking of one of his Iranian guards, whom he came to know well. A very readable supplement to the studies of the high politics surrounding the hostage crisis.

THE MARCH OF FOLLY: FROM TROY TO VIETNAM. By Barbara W. Tuchman. New York: Knopf, 1984, 464 pp. $18.95.

More than half of this study of "the pursuit by governments of policies contrary to their own interests" deals with the United States and the war in Vietnam. Shorter comparative case studies analyze the Trojan horse disaster, the failure of the Papacy to deal with the Reformation, and the loss of the American colonies by the British. The book is in the Tuchman tradition: readable, entertaining, intelligent. It should lead a wide audience to think usefully about "the persistence of error."

THE WAR EVERYONE LOST—AND WON. By Timothy J. Lomperis. Baton Rouge: Louisiana State University Press, 1984, 192 pp. $22.50.

The aim of this book is to dispel the notion that the United States lost all that it sought and the communist side won a complete victory in Vietnam. The author points out that the Vietnamese Communists have not yet attained their goal of political legitimacy; nor did the war prove the efficacy of "wars of liberation" in the Third World. The underlying message is that Americans should not allow themselves to be paralyzed by a totally negative reading of the lessons of Vietnam.

THE PRESIDENCY OF LYNDON B. JOHNSON. By Vaughn Davis Bornet. Lawrence: University Press of Kansas, 1984, 415 pp. $25.00 (paper, $14.95).

Much of the writing about Lyndon Johnson has been excessively concerned with his unique and powerful personality. This solid study does not fall into the trap of using events as foils for a study in abnormal psychology. It treats the domestic and international aspects of Johnson's presidency with thorough seriousness and concludes that its most important legacy was "the many worthwhile changes it embedded deeply in legislation, in the lives of millions, and in American society."

The Western Hemisphere

Robert D. Crassweller

FORGOTTEN PARTNERSHIP: U.S.-CANADA RELATIONS TODAY. By Charles F. Doran. Baltimore: Johns Hopkins, 1984, 294 pp. $32.50.

The strengths of this very good book are its historical perspective and its broad international context, avoiding the parochialism characteristic of some writing on Canadian-American relations. One interesting theme is that American initiatives for greater economic integration stimulate Canadian initiatives for autarky and vice versa.

G.S.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SCHEMING FOR THE POOR: THE POLITICS OF REDISTRIBUTION IN LATIN AMERICA. By William Ascher. Cambridge: Harvard University Press, 1984, 348 pp. $25.00.

A comprehensive analysis of the redistribution policies of nine governments in Argentina, Chile and Peru. In appraising success, tactics and other subtleties and skill at practical politics are seen as more significant than the type of regime or the professed ends. Interestingly, "the presentation and image of a redistributive effort are extremely important . . . because of the astounding discrepancies between the perceived and the actual trends in distribution and growth in most of the cases." A very solid work, with many acute insights.

VIOLENT NEIGHBORS: EL SALVADOR, CENTRAL AMERICA AND THE UNITED STATES. By Tom Buckley. New York: Times Books, 1984, 358 pp. $17.95.

A skillful journalist describes the historical and current dilemmas in the five Central American nations plus Panama and Belize, based on first-hand interviews and investigations. Present U.S. policy is criticized, but the author is not bemused by unrealistic dreams, and the tortured and complicated social realities are not reduced to simplicities.

CRISIS AND OPPORTUNITY: U.S. POLICY IN CENTRAL AMERICA AND THE CARIBBEAN. Edited by Mark Falcoff and Robert Royal. Washington: Ethics and Public Policy Center, 1984, 479 pp. $19.00 (paper, $12.00).

Regional and global aspects of the current confusions in the Caribbean Basin area are considered in 30 essays by an unusually disparate group of authors. Both Ronald Reagan and Fidel Castro have their say, as do Ambassador Kirkpatrick and Tomas Borge, George Will, Eden Pastora, and assorted journalists and academics.

RIFT AND REVOLUTION: THE CENTRAL AMERICAN IMBROGLIO. Edited by Howard J. Wiarda. Washington: American Enterprise Institute, 1984, 392 pp. $19.95 (paper, $10.95).

Eleven scholars, including Ambassador Kirkpatrick, probe the domestic realities in the five Central American countries and the international influences emanating from the U.S., the Soviet Union, Cuba, Mexico and Europe. An introduction on the origins of the regional crisis is well done. The treatment is generally thorough, attempting to reach and grapple with basics.

TROUBLE IN OUR BACKYARD: CENTRAL AMERICA AND THE UNITED STATES IN THE EIGHTIES. Edited by Martin Diskin. New York: Pantheon, 1984, 264 pp. $9.95 (paper).

The turmoil in Central America is sketched here in essays covering the region in general, U.S. reactions, and individual studies of developments in El Salvador, Nicaragua, Guatemala and Honduras. There is an epilogue by Gunter Grass comparing the Sandinistas and the Solidarity movement in Poland, a viewpoint which is echoed elsewhere in the book.

THE INTERNATIONAL CRISIS IN THE CARIBBEAN. By Anthony Payne. Baltimore: Johns Hopkins, 1984, 177 pp. $18.50.

This is a brief regional overview in which detail is sacrificed to breadth of range. The role of the old European powers is covered, as well as that of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

new regional powers such as Venezuela, Mexico, Columbia and Brazil. The United States and Cuba figure prominently. The account is sufficiently up to date to include the recent events in Grenada.

FROM GUNBOATS TO DIPLOMACY: NEW U.S. POLICIES FOR LATIN AMERICA. Edited by Richard Newfarmer. Baltimore: Johns Hopkins, 1984, 254 pp. $25.00 (paper, $11.95).

A wide-ranging policy assessment with respect to Central America, Cuba, Brazil, Argentina and Chile. The introduction suggests that U.S.-Soviet understandings in 1962, 1970 and 1979 concerning Cuba could serve as precedents for other region-wide agreements. But in the end the preponderant economic strength of the U.S. is seen as the best guarantee of its security interests.

THE GIANT'S RIVAL: THE USSR AND LATIN AMERICA. By Cole Blasier. Pittsburgh: University of Pittsburgh Press, 1983, 213 pp. $14.95 (paper, $7.95).

Cole Blasier is one of the few American scholars at home in the two fields of Soviet foreign policy and Latin American politics. His book provides basic information on the various strands of Soviet policy (diplomatic, economic, strategic, party-revolutionary) in relation to key Latin American countries, with Cuba, of course, getting star billing. It is a good professional job, though relapsing into more repetition than seems necessary. The approach and conclusions are low-keyed, both in the interpretation of Soviet policies and priorities and in the suggestions for Washington to ponder.

J.C.C.

FAMILY PORTRAIT WITH FIDEL. By Carlos Franqui. New York: Random House, 1984, 262 pp. $17.95.

Writing with emotion and confessional intimacy, Franqui tells the story of the Cuban Revolution from 1959 to 1964 from his position inside the regime. The author, an unreconstructed maverick journalist, broke with Castro because of the latter's acquiescence in communist domination, seen as a betrayal by Franqui. "Our revolution had worked until Fidel proclaimed Cuba to be socialist—after that, nothing worked," according to Franqui. Colorful and fascinating.

MEXICAN-U.S. RELATIONS: CONFLICT AND CONVERGENCE. Edited by Carlos Vásquez and Manuel Garcia y Griego. Los Angeles: Chicano Studies Research Center, University of California 1984, 504 pp. $35.00 (paper, $25.00).

Mexican and U.S. perspectives are covered by the authors of these 16 chapters that deal with comprehensive relations as well as concrete issues such as energy, trade relations, migratory labor, and the role of Chicanos in the binational relationship. The stress is on intergovernmental relations but intersocietal ties are not neglected. There is a helpful introduction and bibliography.

Western Europe

Fritz Stern

THE BRITISH BETWEEN THE SUPERPOWERS, 1945–1950. By Elisabeth Barker. Toronto: University of Toronto Press, 1983, 270 pp. $20.00.

Elisabeth Barker, a well-known correspondent who was with the BBC and the Political Warfare Executive during the war, reconstructs Britain's role in the first postwar years, almost entirely on the basis of just released Cabinet and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Foreign Office papers. A scholarly and readable survey that portrays Britain's travail: its power shrunken, its strategic and economic commitments at odds, and its two former allies often suspicious and difficult—a fact that was largely kept from the public during the war. Ernest Bevin's realism, often couched in his triumphantly idiosyncratic style, found early expression in his memorandum of March 1946: "Without our physical presence in the Mediterranean, we should cut little ice in those states which would fall, like Eastern Europe, under the totalitarian yoke. . . . If we move out of the Mediterranean, Russia will move in."

ERNEST BEVIN: FOREIGN SECRETARY. By Alan Bullock. New York: Norton, 1984, 896 pp. $37.50.

This is the final volume of Lord Bullock's three-volume biography of Ernest Bevin, illegitimate child, reared in poverty, with little education, a towering figure in the trade union movement, as Minister of Labour in Churchill's wartime cabinet, and finally as Foreign Secretary under Attlee. This book is more than biography, more even than the story of Britain's policies in the immediate postwar period: it is the story of the emergence of the postwar world as seen through the work of one of the key architects of that world. It is a rare combination of a superb historical intelligence, new material (the just-opened Bevin papers, *inter alia*), and a fascinating subject.

Bevin, part "Palmerston in a cloth cap," part tough negotiator, realized that Britain's insolvency and the transformation of her two allies into superpowers put British interests in jeopardy, and yet he sought to prolong Britain's worldwide role, concentrating on Europe and on Anglo-American relations. In his six years in office, he confronted "as formidable a list of problems as any British Foreign Secretary had ever been called upon to face," and of these none was as formidable as the issue of Palestine, where his insistence on protecting British (hence, in his view, Arab) interests brought upon him the wrath of the Zionists and, intermittently, of Truman. Bullock handles this still controversial issue fairly and persuasively, with a historian's sense of how conflicts feed upon extraneous as well as substantive issues. Bullock's *Bevin* is one of the great biographies of a 20th-century figure.

THE TROUBLED ALLIANCE: ATLANTIC RELATIONS IN THE 1980s. Edited by Lawrence Freedman. London: Heinemann/New York: St. Martin's, 1984, 170 pp. $25.00.

Papers from a Chatham House conference, on the perennial topic. The principal concerns are differing perceptions among the allies (including a remarkable essay by David Calleo on American views of NATO, concentrating on George Kennan's ideas), and economic and security issues. Useful inquiries, benign tone.

UNE PUISSANCE NOMMÉE EUROPE. By Henri Froment-Meurice. Paris: Juilliard, 1984, 246 pp.

A highly intelligent *tour d'horizon*, with chapters on the U.S.S.R., the U.S., and a Europe still in need of formation. "The Europeans have more ambition than will, more imagination than energy." The former French ambassador to Moscow and Bonn pleads for greater cohesion within Free Europe, the alternative being a loss of freedom and contentment.

MASTER OF THE BATTLEFIELD: MONTY'S WAR YEARS, 1942–1944. By Nigel Hamilton. New York: McGraw-Hill, 1984, 944 pp. $25.95.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This is Volume II of the authorized biography of Field Marshall Viscount Montgomery. Using the hitherto inaccessible Montgomery papers and supplementing them with other new material and interviews, Hamilton emphasizes the great Commander and adopts his dismissive views of most others in the field, Eisenhower and Bradley included. Montgomery's spectacular victories in North Africa, Italy and Normandy are analyzed and celebrated, and his faults of character—egomania, paranoia, vindictiveness—are also noted. Hamilton quotes copiously, giving the book an authentic flavor. Adulation at great length.

THE TRANSFER AGREEMENT: THE UNTOLD STORY OF THE SECRET PACT BETWEEN THE THIRD REICH AND JEWISH PALESTINE. By Edwin Black. New York: Macmillan, 1984, 430 pp. $19.95.

Hitler's early anti-Jewish measures provoked worldwide efforts at a boycott of German goods, a measure that would have injured a still precarious economy. Jews orchestrated these efforts at a boycott, but hesitated over whether it would inflame or moderate German anti-Semitism. Meanwhile Zionist leadership and the Third Reich agreed on arrangements whereby German Jews could emigrate to Palestine under somewhat more favorable financial conditions and whereby German trade with Palestinian Jewry would increase. In turn, majority Zionists (as against the Revisionists) backed away from the boycott. The author documents the divisions within Jewry, insisting that the Zionists put their cause—German emigration to Palestine—ahead of the possible protection of Jews via more militant economic measures. Although shockingly deficient in his grasp of German developments, Black explicates the several Jewish positions, and seems to argue both that an early boycott might have succeeded and that "the Zionists were the coldest realists—perhaps the only realists—of the period."

The Soviet Union and Eastern Europe

John C. Campbell

RUSSIA AND THE RUSSIANS: INSIDE THE CLOSED SOCIETY. By Kevin Klose. New York: Norton, 1984, 350 pp. $17.50.
LIFE IN RUSSIA. By Michael Binyon. New York: Pantheon, 1984, 304 pp. $15.95.

In the pattern set by Hedrick Smith and Robert Kaiser, American and British correspondents assigned to the U.S.S.R. continue to write ambitious books about what makes Soviet society tick. Neither Kevin Klose of *The Washington Post* nor Michael Binyon of *The Times* has much to say about Kremlin politics or the prospects for the Soviet economy. Both seek to explore Soviet reality at the level of the people. Klose's personal and conversational account concentrates on the system of repression, on the tribulations and courage of those persecuted by the regime (from ordinary workers to Sakharov), and on the games correspondents play to outwit the KGB and the censorship. Binyon looks more systematically at Soviet society (status of women, youth, health care, arts and leisure, Russian and minority nationalism, and so on); his eye is sharp, his writing distinguished, his conclusions unexceptionable and unexceptional.

THE RUSSIAN REVOLUTIONS OF 1917: THE ORIGINS OF MODERN COMMUNISM. By Leonard Schapiro. New York: Basic Books, 1984, 239 pp. $19.95.

Leonard Schapiro fortunately was able to complete this book before his death

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in November 1983. It is quite general, one could even say sketchy, in covering much ground in relatively few pages, but he tarries in some places to explore and clarify critical issues, and the whole is infused with the author's deep knowledge of Russian history and communist aims, organization and methods. The essence of the story is power: how Lenin and the Bolsheviks grasped it and others did not.

THE FACES OF CONTEMPORARY RUSSIAN NATIONALISM. By John B. Dunlop. Princeton: Princeton University Press, 1984, 363 pp. $32.50.

Russian nationalism, almost unnoticed in the West, has been a growing force in the cultural and political life of the U.S.S.R. and may have a strong influence on the direction taken in the future. Dunlop shows how it has appeared in official life (a new version of the old Slavophil-Westernizer debate), in *samizdat* writing, and in emigre literature. Russian nationalism is by no means a single current, nor are the Western interpretations and reactions, which are subjected here to a clear and concise critique.

SOVIET DECISIONMAKING FOR NATIONAL SECURITY. Edited by Jiri Valenta and William Potter. Winchester (Mass.): Allen & Unwin, 1984, 319 pp. $42.50 (paper, $18.50).

A serious effort to probe the making of Soviet policy from Stalin's time to the early 1980s. The fact that the various contributors tackle the problem in different ways adds to the value of the book, for there is obviously no one key or approach that will yield a uniform truth. Among the chapters are first-rate case studies on the Soviet moves into Czechoslovakia and Afghanistan (by Jiri Valenta), the Middle East war of 1973 (by Galia Golan), and the Soviet handling of SALT (by Raymond Garthoff). Not everything is new—these authors have written elsewhere on these topics—but the volume as a whole constitutes real progress in difficult terrain and a basis for further research.

THE RUSSIANS AND REAGAN. By Strobe Talbott. New York: Vintage Books, 1984, 140 pp. $4.95 (paper). A Council on Foreign Relations Book.

In looking into why Soviet-American relations are at a 20-year low, and what are the possibilities for lessening the tension and for negotiation on arms control, Talbott draws on his own experience with Soviet officials, journalists and academic experts, plus the deliberations of a Council on Foreign Relations study group, to examine and weigh Soviet perceptions of U.S. policy, especially in the Reagan years. A principal conclusion of this short but pithy study is that the Soviets are convinced that the Reagan Administration seeks military superiority, and that they will not negotiate seriously about anything, at least until the U.S. presidential election of 1984.

SOVIET POLICY TOWARD WESTERN EUROPE: IMPLICATIONS FOR THE ATLANTIC ALLIANCE. Edited by Herbert J. Ellison. Seattle: University of Washington Press, 1984, 340 pp. $30.00 (paper, $14.95).

One more symposium on East-West relations in Europe, and not quite up to date (the papers were written in early 1982), but the prospective reader should not be put off. This is a collection of first-rate essays. The names are familiar—William Griffith, Robert Legvold, Gerhard Wettig, Pierre Hassner, among others—but the content is not as familiar as one might expect. Legvold has a perceptive chapter on France and Soviet policy; Joan Barth Urban carries on the story of Eurocommunism, nearly forgotten since the heady days of the 1970s; and Hassner is, as always, Hassner.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SOVIET-EAST EUROPEAN RELATIONS: CONSOLIDATION AND CONFLICT, 1968–1980. By Robert L. Hutchings. Madison: University of Wisconsin Press, 1984, 314 pp. $27.50.

The story of Eastern Europe from the Czech Spring to the Polish August, with a focus on Soviet efforts to bring greater unity to the bloc and then to limit the dangers resulting from "economic deterioration, ideological erosion and political malaise." The author, a Radio Free Europe official, makes good use of RFE's impressive research in addition to voluminous material from Soviet, East European and Western sources. It is a detailed, balanced book, in the nature of a sequel to Zbigniew Brzezinski's *The Soviet Bloc*.

NEXT TO GOD. . .POLAND. By Bogdan Szajkowski. New York: St. Martin's, 1983, 264 pp. $25.00.

The mixed record of conflict and coexistence between the Communist regime and the Catholic Church in Poland has shown how the latter, as guardian of the enduring interests of the Polish nation, has to avoid the extremes both of collaboration and of all-out opposition. This is a straightforward account, among the best available in English, done with sound knowledge and real understanding, although no straightforward account can do full justice to the maze of interacting tactics of the Vatican, the Episcopate and the Communist government.

THE BLACK BOOK OF POLISH CENSORSHIP. Edited and translated by Jane Leftwich Curry. New York: Random House, 1984, 433 pp. $24.95 (Vintage paperback, $7.95).

In 1977 an official of the Polish censorship left the country with many secret documents. The material, published in Polish in London, here appears in translation with a useful introduction and commentary. There is nothing strikingly new about the operations of censorship in totalitarian countries. What these pages convey is the far-reaching character of the process, the extraordinary detail of the regulations, the absurdity of many of the decisions, and the evident psychoses of the political leadership. In the case of Gierek's Poland, the official myths were so far from the known reality that the censorship helped to bring down the regime instead of sustaining it.

THE BIRTH OF SOLIDARITY: THE GDANSK NEGOTIATIONS, 1980. Translated and introduced by A. Kemp-Welch. New York: St. Martin's, 1984, 213 pp. $25.00.

The verbatim record of the negotiations between the strikers' committee and the Polish government commission resulting in the agreement of August 31, 1980, is a precious historical source on a landmark event.

THE POLISH REVOLUTION: SOLIDARITY. By Timothy Garton Ash. New York: Scribner's, 1984, 388 pp. $17.95.
THE POLISH CHALLENGE. By Kevin Ruane. New York: Parkwest Publications, 1984, 328 pp. $17.95.
THE PASSION OF POLAND: FROM SOLIDARITY TO THE STATE OF WAR. By Lawrence Weschler. New York: Pantheon, 1984, 263 pp. $10.95.

The proliferation of books on Poland's extended period of relative freedom in 1980–1981 continues. The book by Timothy Garton Ash, a British journalist, is the product of good background knowledge and first-hand witness of what was happening within Solidarity, within the regime, and in the society. As a bonus the author adds an arresting chapter on the West's reaction to the Polish

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

events. In *The Polish Challenge*, one of the BBC's foreign correspondents tells his story largely on the basis of material from the Polish and other East European media; the result is one of the most factual and complete accounts available. Weschler's book, also very detailed, consists of his reports done for *The New Yorker* between May 1981 and September 1983.

The Middle East

John C. Campbell

THE HIGH WALLS OF JERUSALEM: A HISTORY OF THE BALFOUR DECLARATION AND THE BIRTH OF THE BRITISH MANDATE FOR PALESTINE. By Ronald Sanders. New York: Holt, Rinehart and Winston, 1984, 746 pp. $24.95.

This is not the pioneer work on the events leading up to the Balfour Declaration—others, notably Isaiah Friedman, have preceded Sanders—but it is a full and fair account enriched by use of the British archives and other sources, especially the letters and papers of Chaim Weizmann. The book is long and weighty but not tedious, for the author writes well and gives full scope to the personalities who fashioned Middle East policy on the British side, such as Lloyd George, Churchill, Herbert Samuel and Balfour himself, and also, needless to say, to that of the remarkably persistent Weizmann.

L'ORIENT DÉCHIRÉ: ENTRE L'EST ET L'OUEST, 1955–1982. By Simon Jargy. Geneva: Labor et Fides, 1984, 268 pp.

A well known French Orientalist, for years associated with the journal *L'Orient*, traces the course of superpower rivalry in the Middle East through various phases of the cold war. In fitting events to his theme of the failure of both the Americans and Russians (specially the Americans) to understand the forces at work in the region, he is close to the truth; and 20 or more years of experience seem to have taught them very little. The chief merit of the book lies in the surefooted way the author tells a very complex story in brief compass without oversimplification or distortion.

THE ZIONIST DREAM REVISITED: FROM HERZL TO GUSH EMUNIM AND BACK. By Amnon Rubinstein. New York: Schocken, 1984, 204 pp. $14.95.

Ever since the war of 1967, and especially since that of 1982, the old questions of the meaning of Zionism and Jewish destiny have become the subject of increasing concern and debate in Israel. Rubinstein, a member of the Knesset from a small party, shows how the concept of a model, secular nation-state, formerly generally accepted, has been undermined and challenged by new developments. The revival of religious fundamentalism and the rise of Likud especially have contributed to this and have brought the country to the satus of international pariah, to match that of Jewish communities in the old diaspora, and sparked the revival of anti-Semitism in the world. He acknowledges disappointment and failure but retains the belief that Zionism came to Palestine to build a home, not a temple, and must seek to make Israel "a good neighbor, not a recluse destined and willing to reside alone."

THE WEST BANK DATA PROJECT: A SURVEY OF ISRAEL'S POLICIES. By Meron Benvenisti. Washington: American Enterprise Institute, 1984, 97 pp. $25.00 (paper, $15.00).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This long-awaited collection of hard data on lands and people under Israeli occupation presents a sobering portrait of the new facts in a focal point of international tension. Benvenisti, a self-proclaimed "dove" in Israeli politics, set out two years ago with a team of social scientists to discover the realities on the ground in the West Bank and Gaza, without regard to conflicting ideologies or pretensions; his purpose, he declared, was that whatever happens for the political future of the territories, no one should be able to claim unawareness of the extent of Israel's "creeping annexation." Gathered in one convenient and well-produced document, with excellent maps, tables and charts, is detailed information, much of it original and compiled only by subtle research and testing, on such features as Arab and Jewish population movement and growth rates, agricultural and industrial investment, land tenure and public administration. The thrust of Jewish settlement portrayed here is not in isolated hamlets for security purposes, but a suburban sprawl which picks up the momentum of the early Zionist enterprise to develop the land. Ironically, Benvenisti's research has been acclaimed by his political adversaries in Begin's Likud for showing how successful their expansion program is proving out; he has been criticized by his fellow "doves" for implying an inevitability to the process, and for suggesting that the trends already begun cannot be reversed by a more conciliatory Israeli government. Whether his gloomy scenario actually comes to pass or not, his data are incontrovertible; no further analyses of the West Bank and Gaza can claim relevance without reference to this important work.

P.G.

PALESTINIAN LEADERSHIP ON THE WEST BANK: THE CHANGING ROLE OF THE MAYORS UNDER JORDAN AND ISRAEL. By Moshe Ma'oz. London: Frank Cass, 1984, 217 pp. (Totowa, N.J.: Rowman & Allanheld, distributors, $32.50; paper, $15.00).

The special importance of this book lies in the fact that it is written by an Israeli. Ma'oz was directly involved in West Bank affairs as an adviser to Defense Minister Weizman, makes full use of both Israeli and Arab material, and maintains a scholar's balance in discussing issues of high political content. The role of the mayors, skillfully traced here in detail, was of increasing significance as it evolved under Israeli rule from non-political collaboration by "notables" to leadership of the developing Palestinian community by a new generation of increasingly radical national spokesmen.

THE PALESTINIAN LIBERATION ORGANISATION: PEOPLE, POWER AND POLITICS. By Helena Cobban. New York: Cambridge Unversity Press, 1984, 305 pp. $22.50.

A British journalist and scholar gives us the most intensive and extensive coverage of the PLO, from its beginnings in the 1960s to the exit from Beirut in 1982, that has appeared in English. Much of her information comes from talks with a variety of PLO leaders, yielding far more than the interviews Arafat customarily grants to foreigners. In many respects the story is one of repeated frustration, national strife and failure. But Palestinian national consciousness, not just within the organizations outside but especially in the occupied territories themselves, remains a stubborn reality with which Israel and the world has to deal.

PALESTINE: UNE ÉCONOMIE DE RÉSISTANCE EN CISJORDANIE ET Ă GAZA. By Antoine Mansour. Paris: L'Harmattan, 1983, 229 pp. 85 Fr.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A Palestinian economist characterizes Israeli strategy in the occupied territories as one of destruction (of Arab economic institutions), integration (into the Israeli economy), and population change (bringing in Jews and forcing out Arabs). He urges an Arab counter-strategy of economic resistance as the only way, with necessary political backing, to maintain the Arab character of those territories. The book has a clear political message but is no mere tract, for the economic research and analysis are highly professional and well presented.

VOICES OF RESURGENT ISLAM. Edited by John L. Esposito. New York: Oxford, 1983, 291 pp. $22.95 (paper, $11.95).
ISLAM: LEGACY OF THE PAST, CHALLENGE OF THE FUTURE. By Don Peretz, Richard U. Moench and Safia K. Mohsen. New York: North River Press/Horizon/New Horizon, 1984, 134 pp. (New York: Dodd, Mead, distributor, $12.95).

Thanks to the Iranian revolution and related events in other Islamic countries, experts everywhere are busy explaining the nature of Islam, its resurgence, and the implications for the rest of the world. The Esposito volume is especially rewarding for its broad coverage, both historical and geographical, for its biographical studies on leading Muslim "voices" (including Ali Shariati, Khomeini, Iqbal, Qaddafi and others), and for the keys it provides to greater understanding of relations between the Middle East and the West. The book by Don Peretz and his two colleagues offers similar fare but in much briefer form, consisting of three separate essays on political, economic and legal aspects.

IN THE PATH OF GOD: ISLAM AND POLITICAL POWER. By Daniel Pipes. New York: Basic Books, 1983, 359 pp. $22.50.

Daniel Pipes' ambitious work on the same theme of Islamic resurgence stands out for its historic sweep, its focus on the political aspects, and the cohesion that comes with single authorship. He sets out to explain the "complex interaction among Islam's ideals, Muslim historical experience, Western civilization, and current events." In general, he succeeds, although the Western mind's difficulty in grasping Islam occasionally defeats a reader in the face of the author's best efforts. Pipes, with no apparent ax to grind, is not afraid to predict that religious fundamentalism, as the answer to modern political and economic challenges, will fail as the oil boom (to which it owed so much) fades, and that in retrospect the Islamic revival will appear as a transient aberration.

SAUDI ARABIA: THE MAKING OF A FINANCIAL GIANT. By Arthur N. Young. New York: New York University Press, 1983, 162 pp. $20.00.

The core of this book is a memoir of Dr. Young's mission to Saudi Arabia as financial adviser in 1951–52, when he helped to reform the currency and to establish the Saudi Arabian Monetary Agency, in effect the central bank. He supplements that story, which is informative but quite brief, with personal impressions of the country and a thumbnail survey of its progress over the past half-century, all of which is polite, uncritical although not inaccurate, and falls somewhat short of the promise of the title.

LET THE CREDIT GO: AN AUTOBIOGRAPHY. By J. Rives Childs. New York: Frederick Fell, 1983, 338 pp. $17.95.

The author, born in 1893, was a Foreign Service Officer for three decades until his retirement in 1953. Most of his service was in the Middle East, including a tour as Ambassador to Saudi Arabia (1946–1950). He was a staunch repre-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sentative of the "Arabist" point of view in the Foreign Service. This well-written memoir contains many fascinating details.

G.S.

Asia and the Pacific

Donald S. Zagoria

THE TATTERED CHINA CARD: REALITY OR ILLUSION IN UNITED STATES STRATEGY? By Robert L. Downen. Washington: Council for Social & Economic Studies, 1984, 128 pp. $10.00 (paper).

Downen argues that the idea of constraining Soviet adventurism through broadening U.S. ties with the P.R.C. is a flawed strategy because China is a weak and underdeveloped country. Moreover, the preoccupation with China relegates Japan and other regional allies to a subordinate status. While continuing cooperation with Beijing is desirable "within reason," there is no need to offer ever greater concessions to Beijing. He sees the two options open to the Reagan Administration as increasing either strategic or developmental assistance to China and he comes down on the side of the latter. While some of his criticism of the Carter Administration is legitimate, Downen's treatment of Carter's China policy is heavily polemical and one-sided.

TOWARDS THE END OF ISOLATIONISM: CHINA'S FOREIGN POLICY AFTER MAO. By Michael Yahuda. New York: St. Martin's, 1984, 279 pp. $25.00.

This is one of the few books to examine in depth China's foreign policy since the death of Mao, but its more lasting contribution is its analysis of Mao's geopolitical thinking. Always preoccupied (as are the post-Mao leaders) with the balance of forces between the U.S. and the Soviet Union, after 1968 Mao came to see the Soviet Union as a rising expansionist power and the U.S. as a declining one. And he saw a decisive connection between Soviet ambitions elsewhere and Soviet policy in Asia: the Soviet Union would be unable to attack China unless the U.S. first "let them into" the Middle East and Europe. This is what Mao told Henry Kissinger and what the Chinese leaders continue to believe. Yahuda also has some interesting comments on Mao's concept of "overextension." As early as 1973 Mao argued that the Soviet Union was overextended. Implicit in this is the view that the point would someday be reached when Soviet domestic and societal weakness, combined with overextendedness abroad, would inhibit and check Soviet expansion. These are also useful terms of reference for Western analysts.

MAO ZEDONG: A PRELIMINARY REASSESSMENT. By Stuart R. Schram. Hong Kong: Chinese University Press/New York: St. Martin's, 1984, 104 pp. $22.50.

Stuart Schram is one of the world's foremost authorities on Mao and these three lectures, delivered in Hong Kong in 1982, represent his most recent thoughts. He concludes with some cautiously optimistic ideas about the prospects for reform in post-Mao China. While recognizing the obstacles, Schram believes that "if the present reforming policies in the political, economic and cultural domains can be successfully applied for ten or 20 years, we may well see the emergence of a China which is truly a part of the modern world."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AGRICULTURE IN CHINA'S MODERN ECONOMIC DEVELOPMENT. By Nicholas R. Lardy. New York: Cambridge University Press, 1983, 285 pp. $37.50.

This is the most thorough examination and critique of China's agrarian policy since 1949 that we are likely to get for many years to come. It is certain to become one of the dozen or so required readings on China. Lardy's central thesis is that China's agriculture has done well in three periods since 1949, including the period since 1978 when Deng Xiaoping initiated his sweeping reforms. In all three of these periods, there was a greater reliance on indirect as opposed to direct planning; that is, a much greater use of prices and other economic levers as opposed to target and output quotas. The long-run prospects depend on a wider appreciation by the Party leaders of the virtues of agricultural specialization, on a more effective use of price policy and markets, and, above all, on acceptance by the Party of reduced control over rural China. With respect to this last criterion, Lardy is skeptical. He warns of "the reluctance of lower level Party [cadres] to relinquish the increasing power they came to exercise after 1966" and the persistence of a major constituency within the Party for a heavy industrial strategy that depends on a more coercive extraction policy.

VERDICT IN PEKING: THE TRIAL OF THE GANG OF FOUR. By David Bonavia. New York: Putnam, 1984, 225 pp. $17.95.

By skillfully utilizing the official transcripts of the trial of the Gang of Four, one of the West's leading China-watchers has put together a compelling account of the dark intrigue and the deadly struggle for power that marked Mao's waning years. There are many valuable insights into Chinese politics in a moment of crisis, and a good deal of information on the structure of Chinese society, the system of law and punishment, and the channels of information.

REVOLUTIONARY STRUGGLE IN MANCHURIA: CHINESE COMMUNISM AND SOVIET INTEREST, 1922–1945. By Chong-Sik Lee. Berkeley: University of California Press, 1984, 366 pp. $27.50.

Using an impressive array of primary sources in Chinese, Japanese, Korean and Russian, Professor Lee provides the most detailed account yet of the rise of the Chinese Communist Party in Manchuria, the northeast region of China.

THE UNITED STATES AND JAPAN. By William Watts. Cambridge: Ballinger (for Potomac Associates), 1984, 118 pp.

U.S.-JAPAN RELATIONS: TOWARDS A NEW EQUILIBRIUM. The Program on U.S.-Japan Relations, Center for International Affairs, Harvard University, 1983, 185 pp.

The Watts volume analyzes the mutual perceptions of the Americans and Japanese, and concludes that things took a turn for the worse about 1980. It is short on recommendations for improving the situation. The Harvard study is the annual review for 1982–83 of the newly established Program on U.S.-Japan Relations. An essay by Richard Cooper and Philip Jones assesses the outlook for U.S.-Japanese cooperation, and concludes that the American people are likely to become more and more unwilling to bear a disproportionate share of the costs of maintaining the existing international economic system. They go on to outline a few potential areas of cooperation. In another thoughtful essay, Kozo Yamamoto notes the huge stake that both the U.S. and Japan have in sticking together. He identifies four approaches in the U.S. to the problem of reducing the $18-billion trade deficit, and comes down strongly on the side of removing all

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

remaining Japanese trade barriers. What Japan needs, he says, is strong political leadership to take bold initiatives in opening up Japan's market. In response, the U.S. should offer Japan guaranteed access to U.S. agricultural products.

PACIFIC ECONOMIC COOPERATION: THE NEXT PHASE. Edited by Hadi Soesastro and Han Sung-joo. Jakarta: Centre for Strategic and International Studies, 1983, 300 pp.

The idea of regional economic cooperation in the Pacific has matured during the past decade and there is a growing consensus today that a systematic arrangement for multilateral consultation would enable the governments of the region to cooperate more effectively in trade and economic matters. The papers and essays assembled in this collection are a useful introduction to the subject of Pacific regionalism.

Africa

Jennifer Seymour Whitaker

WESTERN SAHARA: THE ROOTS OF A DESERT WAR. By Tony Hodges. Westport (Conn.): Lawrence Hill, 1984, 416 pp. $19.95 (paper, $14.95).

A British journalist and scholar with deep roots in Africa, Hodges has produced an epic history of the Western Saharan region and the evolution of the current conflict. Starting with the nomad "sons of the clouds" in the first millenium B.C., he covers many centuries of tribal warfare in the Sahara and Morocco; a variety of colonial forays involving Spain, Portugal, France and Britain; the brief period of something like colonial "control," starting in the late 19th century and culminating in the period of "pacification" from 1934 to 1974. Against this backdrop, he describes the political and military development of the current war over the Sahara, in which Morocco is pitted against the Saharan liberation movement and its Algerian and Libyan allies. The author clearly sympathizes with the Polisario insurgents (whom he characterizes as the most effective African liberation movement to date) and his very careful sorting of the issues balances full-fledged Saharan nationalism against the rather desperate Moroccan appropriation of a unifying political issue as well as a disputed territory. He argues quite convincingly that the Polisario's tenacity and fighting prowess as well as their allies' resources ensure that time is on their side. The weakest aspect of his account is his consideration of Morocco's unpalatable options: an unending and expensive war or a rending peace that might perhaps engender more costly civil conflict.

CRISIS IN AFRICA: BATTLEGROUND OF EAST AND WEST. By Arthur Gavshon. Boulder (Colo.): Westview Press, 1984, 320 pp. $30.00.

Because this book was originally published (in a Penguin edition) in 1981, its title seems distinctly out of phase: where, one asks, is the battle, and what's the crisis? But despite recent Soviet passivity, particularly in the face of South African military activism, and an overriding African shift of focus to economic problems, the author's long historical perspective gives accuracy and currency to his interpretation of basic trends, both within Africa and with respect to the main outside powers (the Soviet Union, Cuba and China; the United States, Britain and France), whose aims and activities are detailed in separate chapters. With its endemic instability, the continent will continue to simmer, and occasionally burst into flames, for the foreseeable future.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ROCK OF THE WIND: A RETURN TO AFRICA. By Denis Hills. New York: Africana, 1984, 205 pp. $19.50.

Best known for his near-fatal encounter with Idi Amin in 1975, and his rescue from a Ugandan firing squad by Queen Elizabeth and British Foreign Secretary James Callaghan, Hills returns here to an Africa that both mesmerizes and repels him. The Africans' destruction of the Eden-like physical environment—through slash-and-burn cultivation and felling trees for firewood—distresses him particularly. He also broods upon the Ugandans' penchant for violence and their acceptance, even envy, of the marauding soldiery that has laid waste to the country since the days of Amin. Subjective and rambling, Hills' is still an unparalled first-hand account of land and people in rural Uganda today.

SWAZILAND: TRADITION AND CHANGE IN A SOUTHERN AFRICAN KINGDOM. By Alan R. Booth. Boulder (Colo.): Westview Press, 1983, 156 pp.

In Africa's last monarchy, traditional conservatism has buttressed one of the more vulnerable continental entities; it may also lead to a far-reaching political deal with neighboring South Africa. In this survey an American historian describes Swaziland's dynastic origins, colonial history, social and political institutions, economy, and finally international relations—now tilting significantly toward Pretoria and away from the more "African" orientation of the 1970s.

INDUSTRIAL RELATIONS IN DEVELOPING COUNTRIES: THE CASE OF NIGERIA. By Abel K. Ubeku. New York: St. Martin's, 1984, 246 pp. $27.95.

In this study of Nigeria's labor relations, the author (a lawyer and industrial policy expert who is also managing director of Guinness/Nigeria) lays out a detailed picture of Nigeria's labor negotiation machinery in the context of Western, Soviet and Third World analogues. As such, he provides a useful reference on a scantily explored subject. However, his analysis of Nigeria's development dilemmas stops on the threshold of "Nigerianization," ignoring the economic record of the past few years, and the increase in non-productive economic activity. Thus his prescription for more state intervention in labor negotiation "in the interest of all in society," assuming as it does an effective governmental grand design and intention, fails to convince.

PRIVATE SECRETARY (FEMALE)/GOLD COAST. By Erica Powell. New York: St. Martin's, 1984, 228 pp. $19.95.

Kwame Nkrumah's British secretary for ten years (from his early days as Ghanaian Prime Minister until his fall) tells only a modest amount here, focusing on her boss's difficult but admirable personality and a series of splendiferous state visits—to Balmoral as well as all the chief nonaligned capitals of the late 1950s-early 1960s. She eschews politics entirely (probably one of her chief virtues for the complusively political Nkrumah) until the end when recurrent assassination attempts and party infighting broke through to her very desk. The Nkrumah who emerges from this loyal portrait is totally committed to Ghana, garrulously pedagogical, erratic, isolated, kind-hearted.

ETHIOPIA AT BAY: A PERSONAL ACCOUNT OF THE HAILE SELLASSIE YEARS. By John H. Spencer. Algonac (Mich.): Reference Publications, 1984, 397 pp. $24.95.

An American legal adviser to Haile Sellassie for more than 40 years spins an

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

intricate tale of intrigue—international and imperial—involving Italy's seizure of Ethiopia in 1936, the British occupation during World War II, U.N. maneuvering on Eritrea and the Ogaden, agreements on U.S. facilities and aid programs. The book constitutes a significant primary source in its first-hand account by a meticulously observant insider. What emerges is a picture of Ethiopia, and the Emperor, slowly crushed between Arab-backed insurgencies in the two disputed territories—with the U.S. steadfastly refusing to take a firm stand on behalf of its client. Sellassie himself seems partly subtle and charismatic politician, partly inhabitant of Oz—a mythic but finally entirely self-deceived leader of an ancient, proud people.

WRITING IN A STATE OF SIEGE: ESSAYS ON POLITICS AND LITERATURE. By André Brink. New York: Summit, 1984, 256 pp. $15.95.

Within South Africa the writer in opposition must wrestle with his own purposes as intensely as he does against the system. In these essays written over 15 years, a prizewinning Afrikaner novelist illuminates the relationship between art and moral commitment, exploring the distortion of truth in South African society, the perpetuation of the master-slave relationship, the failure of censorship to extinguish "the rumour of freedom." His role, as he sees it, lies in "countering the tactics of secrecy with exposure: the dark fears nothing quite so much as the light."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Janet Rigney

SOURCE MATERIAL

I. DOCUMENTS

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington, D.C. 20402. *United Nations, International Court of Justice:* United Nations, Sales Sections, New York 10017. *United Nations Educational, Scientific and Cultural Org.* and *Food and Agric. Org.:* Unipub, Inc., P.O. Box 433, New York 10016. *Int. Labor Office:* 917 15th St., N.W., Washington, D.C. 20005. *European Communities:* 2100 M St., N.W., Washington, D.C. 20037. *Organization for Economic Cooperation and Development:* 1750 Pennsylvania Ave., N.W., Washington, D.C. 20006. Washington imprints are Government Printing Office, and congressional documents, unless otherwise noted, are for the 98th Congress. New York imprints are United Nations, unless otherwise noted.

Asia and the Pacific Ocean

CAMBODIA after 5 years of Vietnamese occupation. Hearing and markup, Subcommittee on Asian and Pacific Affairs, Committee on Foreign Affairs, House, on H. Con. Res. 176, Sept. 15-Oct. 18, 1983. Washington, 1983. 95 pp.

ECONOMIC Support Fund assistance to the Philippines. Report, to the Committee on Foreign Affairs, House, by the Comptroller General of the United States. Washington, U.S. General Accounting Office, 1984. 18 pp.

THE FUTURE of Taiwan. Hearing, Committee on Foreign Relations, Senate, on S. Res. 74, Nov. 9, 1983. Washington, 1984. 36 pp.

THE PRESIDENT'S trip to Asia. Hearing, Committee on Foreign Relations, Senate, Nov. 17, 1983. Washington, 1983. 20 pp.

REPORT of the delegation to East Asia, of the Committee on Armed Services, House, Nov. 16, 1983. Washington, 1983. 18 pp. (Com. Print No. 10.)

Commercial Policy and Trade

BUILDING trade with Africa. Jt. hearings, Subcommittees on International Economic Policy and Trade, and on Africa, Committee on Foreign Affairs, and the Subcommittee on General Oversight and the Economy, Committee on Small Business, House, May 19-June 2, 1983. Washington, 1984. 315 pp.

DETAILS of certain controversial export licensing decisions involving Soviet Bloc countries. Report by the U.S. General Accounting Office. Washington, U.S. General Accounting Office, 1983. 13 pp.

INTERNATIONAL trade and U.S. port operations. Hearing, Joint Economic Committee, Congress, Sept. 16, 1983. Washington, 1984. 124 pp.

PRESIDENTIAL recommendation to continue waivers applicable to Romania, Hungary, and the People's Republic of China, and to extend the Trade Act waiver authority. Hearing, Subcommittee on Trade, Committee on Ways and Means, House, July 14, 1983. Washington, 1983. 353 pp. (Ser. 98–22.)

TRADE Reorganization Act of 1983. Hearings, Committee on Governmental Affairs, Senate, on S. 121, Mar. 17-Sept. 15, 1983. Washington, 1984. 667 pp.

Disarmament

NUCLEAR Non-Proliferation Act. Joint hearing, Committee on Foreign Relations, and the Subcommittee on Energy, Nuclear Proliferation and Government Processes, Committee on Governmental Affairs, Senate, Sept. 30, 1983. Washington, 1983. 74 pp.

STATUS of mutual and balanced force reduction (MBFR) negotiations. Hearing, Subcommittee on International Security and Scientific Affairs, Committee on Foreign Affairs, House, Sept. 22, 1983. Washington, 1984. 88 pp.

Eastern Europe

FORCED labor in the Soviet Union. Hearing, Subcommittee on Human Rights and International Organizations, Committee on Foreign Affairs, House, and the Commission on Security and Cooperation in Europe, Nov. 9, 1983. Washington, 1984. 150 pp.

SOVIET-East European Research and Training Act. Hearing, Subcommittees on International Security and Scientific Affairs, on International Operations, and on Europe and the Middle East,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Committee on Foreign Affairs, House, on H.R. 601, H.R. 3500, H.J. Res. 254, July 25, 1983. Washington, 1983. 113 pp.

SOVIET Jewry. Hearing and markup, Subcommittee on Human Rights and International Organizations, Committee on Foreign Affairs, House, and the Commission on Security and Cooperation in Europe, on H. Con. Res. 63, June 23–28, 1983. Washington, 1984. 115 pp.

THE SOVIET Union in the Third World, 1980–1982: an imperial burden or political asset? Washington, Congressional Research Service, Library of Congress, 1983.

Commitment in perspective, by Joseph G. Whelan. 88 pp. (Rept. No. 83–210 S.) The Soviet Union and the Middle East, by Michael J. Dixon. 110 pp. (Rept. No. 83–229 S.)

ECONOMIC CONDITIONS

THE WORLD food situation. Hearings, Committee on Foreign Affairs, House, July 26–27, 1983. Washington, 1983. 318 pp.

FINANCIAL POLICY

EXPORT-Import Bank facilities for Brazil and Mexico. Hearing, Subcommittee on International Trade, Investment and Monetary Policy, Committee on Banking, Finance and Urban Affairs, House, Sept. 13, 1983. Washington, 1983. 104 pp. (Ser. No. 98–51.)

EXPORT-Import Bank proposal of credit to Brazil and Mexico. Hearing, Subcommittee on International Finance and Monetary Policy, Committee on Banking, Housing, and Urban Affairs, Senate, Sept. 14, 1983. Washington, 1983. 106 pp.

INTERNATIONAL Monetary Fund quota increase. Hearings, Subcommittee of the Committee on Appropriations, Senate, May 17–18, 1983. Washington, 1983. 213 pp.

FOREIGN AID AND UNDERDEVELOPED AREAS

DEVELOPMENT co-operation: efforts and policies of the members of the Development Assistance Committee; 1983 review, by Rutherford M. Poats. Paris, OECD, 1983. 249 pp. Fr. 120.00.

FOREIGN assistance and related programs appropriations for 1984. Hearings, Subcommittee of the Committee on Appropriations, House, May-Sept. 1983. Washington, 1983. 2 pts.

FOREIGN assistance legislation for fiscal years 1984–85. Hearings, Committee on Foreign Affairs, House, Feb. 8-Apr. 13, 1983. Washington, 1983. 2 pts.

HUMAN RIGHTS

COUNTRY reports on human rights practices for 1983. Report, submitted to the Committee on Foreign Affairs, House, and the Committee on Foreign Relations, Senate, by the Department of State, Feb. 1984. Washington, 1984. 1485 pp. (Jt. Com. Print.)

HUMAN rights. Hearing, Committee on Foreign Relations, Senate, Nov. 9, 1983. Washington, 1983. 198 pp.

HUMAN rights in the Philippines. Hearing, Subcommittee on Human Rights and International Organizations, Committee on Foreign Affairs, House, Sept. 22, 1983. Washington, 1983. 67 pp.

MIDDLE EAST

ADEQUACY of U.S. Marine Corps security in Beirut. Report, Investigations Subcommittee, Committee on Armed Services, House, Dec. 19, 1983. Washington, 1983. 78 pp. (Com. Print No. 11.)

AUTHORIZATION for U.S. Marines in Lebanon. Hearings, Committee on Foreign Relations, Senate, Nov. 10–15, 1983. Washington, 1984. 43 pp.

BEIRUT tragedy: "a new crowd in town" and Beirut casualties: care and identification. Report, of the Delegation to Beirut of the Committee on Armed Services and Committee on Veterans' Affairs, House. Washington, 1983. 14 pp. (Com. Print No. 12.)

REPORT of the DOD Commission on Beirut International Airport Terrorist Act, October 23, 1983. Washington, G.P.O., 1984. 141 pp.

STATUTORY authorization under the War Powers Resolution—Lebanon. Hearing and markup, Committee on Foreign Affairs, House, on H.J. Res. 364 and H. Res. 315, Sept. 21–22, 1983. Washington, 1983. 120 pp.

MILITARY POLICY

MX missile basing system and related issues. Hearings, Committee on Armed Services, Senate, Apr. 18-May 3, 1983. Washington, 1983. 510 pp.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NATO's theater nuclear forces: a coherent strategy for the 1980s, by Jean D. Reed. Washington, National Defense University Press, 1983. 79 pp. (National Security Affairs Monograph Series 83–8.)

ORGANIZATION, structure and decisionmaking procedures of the Department of Defense. Hearings, Committee on Armed Services, Senate, July 20-Oct. 4, 1983. Washington, 1983. 4 pts.

THE POLITICS of defence budgeting: a study of organisation and resource allocation in the United Kingdom and the United States, by Michael D. Hobrik. Washington, National Defense University Press, 1983. 167 pp.

REORGANIZATION proposals for the Joint Chiefs of Staff. Hearings, Investigations Subcommittee, Committee on Armed Services, House, June 14–29, 1983. Washington, 1983. 137 pp. (H.A.S.C. No. 98-8.)

RAW MATERIALS AND ENERGY RESOURCES

GEOPOLITICS of strategic and critical materials. Hearings, Committee on Energy and Natural Resources, Senate, May 19-July 22, 1983. Washington, 1983. 512 pp.

STATUS of the strategic petroleum reserve. Hearing, Subcommittee on Energy and Mineral Resources, Committee on Energy and Natural Resources, Senate, May 6, 1983. Washington, 1983. 226 pp.

STRATEGIC petroleum reserve and the Department of Energy's baseline assessment. Hearing, Subcommittee on Energy and Mineral Resources, Committee on Energy and Natural Resources, Senate, Nov. 10, 1983. Washington, 1984. 92 pp.

SCIENCE AND TECHNOLOGY

EAST-West technology transfer: study of Poland, 1971–1980, by Zbigniew Fallenbuchl. Paris, OECD, 1983. 199 pp. Fr.110.00.

SALYUT: Soviet steps toward permanent human presence in space; a technical memorandum. Washington, Office of Technology Assessment, Congress of the United States, 1983. 69 pp.

SCIENCE and technology: cooperation between the United States and China. Hearings, Special Subcommittee on U.S. Trade with China, Committee on Energy and Commerce, House, Oct. 31-Nov. 3, 1983. (Ser. No. 98–76.)

TECHNOLOGY transfer. Hearings, Technology Transfer Panel, Committee on Armed Services, House, June 9-July 14, 1983. Washington, 1984. 294 pp. (H.A.S.C. No. 98–15.)

U.S. technology transfer to China. Hearing, Special Subcommittee on U.S. Trade with China, Committee on Energy and Commerce, House, Sept. 27, 1983. Washington, 1984. 76 pp. (Ser. No. 98–75.)

TELECOMMUNICATION

INTERNATIONAL communication and information policy. Hearings, Subcommittee on Arms Control, Oceans, International Operations and Environment, Committee on Foreign Relations, Senate, Oct. 19–31, 1983. Washington, 1983, 1983. 422 pp.

UNITED NATIONS

VOTING practices in the United Nations. Report to Congress, submitted pursuant to Public Law 98–151 and Public Law 98–164, Feb. 24, 1984. Washington, 1984. v.p.

UNITED STATES

THE FY 1985 Department of Defense program for research, development and acquisition. Statement by the Honorable Richard D. DeLauer, Under Secretary of Defense Research and Engineering, to the 98th Congress, Second Session, 1984. Washington, 1984. v.p.

INDUSTRIAL change and public policy: a symposium sponsored by the Federal Reserve Bank of Kansas City, Jackson Hole, Wyoming, August 24–26, 1983. Kansas City, Federal Reserve Bank of Kansas City, 1983. 378 pp.

INDUSTRIAL policy. Hearings, Subcommittee on Economic Stabilization, Committee on Banking, Finance and Urban Affairs, House, June 9-Sept. 28, 1983. Washington, 1983–84. 4 pts.

THE 1984 Joint Economic Report. Report, of the Joint Economic Committee, Congress, on the February 1984 economic report of the President. Washington, 1984. 169 pp.

UNITED States. Paris, OECD, 1983. 89 pp. (OECD Economic Surveys, 1983–1984.)

WESTERN EUROPE

DEVELOPMENTS in Europe, September 1983. Hearing, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House, Sept. 22, 1983. Washington, 1984. 45 pp.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

I DOCUMENTI Diplomatici Italiani. Quinta Serie: 1914–1918, Vol. IX (1° settembre - 31 dicembre 1917). Rome, Istituto Poligrafico e Zecca dello Stato, Libreria dello Stato (for the Commissione per la Pubblicazione dei Documenti Diplomatici, Ministero degli Affari Esteri), 1983. 655 pp.

DOCUMENTS Diplomatiques Français, 1932–1939. Paris, Imprimerie Nationale (for the Commission de Publication des Documents Relatifs aux Origines de la Guerre 1939–1945, Ministère des Relations Exterieures), 1982–83.

1re Série (1932–1935), Tome XI. 1er juin-20 août 1935. 712 pp. *2e Série (1936–1939), Tome XVI.* 1er mai-24 juin 1939. 1018 pp.

DOCUMENTS on British policy overseas. Series I, Vol. I: The Conference at Potsdam, July-August 1945, ed. by Rohan Butler and M.E. Pelly. London, Her Majesty's Stationery Office, 1984. 1278 pp. with a suppl. of microfiches. 85.00.

THE FEDERAL Republic of Germany in the 1980s: foreign policies and domestic changes, ed. by Robert Gerald Livingston. N.Y., German Information Center, 1983. 60 pp.

OECD Economic Surveys, 1983–1984. Paris, OECD, 1984. Fr.20.00 each.

Netherlands. 69 pp. Sweden. 67 pp. United Kingdom. 77 pp.

RELATIONS between the European Community and the United States. Brussels, Economic and Social Committee of the European Communities, 1983. 82 pp.

STATUS of negotiations on the Cyprus dispute and recent developments in Cyprus. Hearing, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House, Nov. 2, 1983. Washington, 1984. 33 pp.

TOWARDS the European Union, by Altiero Spinelli. Luxembourg, Office for Official Publications of the European Communities (for the European University Institute), 1983. 28 pp. (Sixth Jean Monnet Lecture.)

WESTERN HEMISPHERE

BRAZIL: a country study, ed. by Richard F. Nyrop. Washington, G.P.O. (for the Foreign Affairs Studies, The American University), 4th ed., 1983. 410 pp.

CARIBBEAN Basin Economic Recovery Act. Hearing, Committee on Ways and Means, House, on H.R. 2769, June 9, 1983. Washington, 1983. 271 pp. (Ser. No. 98–21.)

DOCUMENTS on relations between Canada and Newfoundland. Vol. 2: 1940–1949, Confederation, ed. by Paul Bridle. Ottawa, Canadian Government Publishing Centre, Supply and Services Canada (for the Department of External Affairs), 1984. 2 pts.

GRENADA war powers: full compliance reporting and implementation. Markup, Committee on Foreign Affairs, House, on S.J. Res. 402, Oct. 27, 1983. Washington, 1983. 40 pp.

THE MEXICAN economic crisis: policy implications for the United States. Report, by the Congressional Research Service, Library of Congress, for the Subcommittee on International Trade, Investment and Monetary Policy, Committee on Banking, Finance and Urban Affairs, and the Subcommittee on Western Hemisphere Affairs, Committee on Foreign Affairs, House, Feb. 1984. Washington, 1984. 274 pp.

THE PANAMA Canal Treaty—constitutional and legal aspects of the ratification process. Hearing, Subcommittee on Separation of Powers, Committee on the Judiciary, Senate, June 23, 1983. Washington, 1984. 400 pp. (Ser. No. J-98–47.)

REFUGEE problems in Central America. Staff report, prepared for the Subcommittee on Immigration and Refugee Policy, Committee on the Judiciary, Senate, Sept. 1983. Washington, 1984. 33 pp. (S. Print 98–139.)

THE SITUATION in Grenada. Hearing, Committee on Foreign Relations, Senate, Oct. 27, 1983. Washington, 1983. 46 pp.

THE UNITED States-Mexico border economic situation. Hearing, Subcommittee on Economic Goals and Intergovernmental Policy, Joint Economic Committee, Congress, Aug. 1, 1983. Washington, 1983. 43 pp.

U.S. policy in Central America. Hearing, Subcommittees on Human Rights and International Organizations, and on Western Hemisphere Affairs, Committee on Foreign Affairs, House, Aug. 3, 1983. Washington, 1983. 77 pp.

II. OTHER PUBLICATIONS

ACTA BALTICA: LIBER ANNALIS INSTITUTI BALTICI, XXII, 1982. Königstein im Taunus, Institutum Balticum, 1983. 275 pp.

ADELPHI PAPERS. London, The International Institute for Strategic Studies, 1984. $5.00 each.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

187. Soviet theatre nuclear forces. Part I: Development of doctrine and objectives, by Stephen M. Meyer. 51 pp.

AEI STUDIES. Washington, American Enterprise Institute for Public Research, 1984.
393. A Muslim's reflections on democratic capitalism, by Muhammad Abdul-Rauf. 74 pp. *397.* The crisis in Latin America: strategic, economic, and political dimensions, ed. by Howard J. Wiarda. 32 pp.

ALL STALIN'S MEN, by Roy Medvedev. Garden City, N.Y., Anchor Press, 1984. 184 pp. $14.95.

ANDROPOV IN POWER: FROM KOMSOMOL TO KREMLIN, by Jonathan Steele and Eric Abraham. Garden City, N.Y., Anchor Press, 1984. 216 pp. $15.95.

ANGOLA IN THE FRONTLINE, by Michael Wolfers and Jane Bergerol. London, Zed Press, 1983. 238 pp.

LES ARMES DE LA PUISSANCE OU LA PUISSANCE DES ARMES: PRODUCTION DE MATÉRIEL MILITAIRE ET DÉVELOPPEMENT ÉCONOMIQUE EN UNION SOVIÉTIQUE, by Jacques Sapir. Paris, Centre Interdisciplinaire de Recherches sur la Paix et d'Études Stratégiques, 1983. 26 pp. (Cahiers d'Études Stratégiques, 2.) Fr.25.00.

THE ARMS RACE, by Michael Sheehan. Oxford, Martin Robertson, 1983. 242 pp. £5.95.

BEHIND THE HEADLINES. Toronto, Canadian Institute of International Affairs, 1983. $1.00 each.
Vol. XVI. No. 2. Encouraging enthusiasm, avoiding imposture: an activist foreign policy in defence of democracy, by H. John Harker. 24 pp. *No. 3.* Egypt under Mubarak: the uncertain path, by Mahmud A. Faksh, 20 pp. *No. 4.* Spanish foreign policy since Franco, by John D. Habron. 15 pp.

BRITAIN AND SAUDI ARABIA, 1925–1939: THE IMPERIAL OASIS, by Clive Leatherdale. Totowa, N.J., Frank Cass c/o Biblio Distribution Centre, 1984. 403 pp. $38.95.

CANADIAN DEVELOPMENT ASSISTANCE TO HAITI, by E. Philip English. Ottawa, The North-South Institute, 1984. 167 pp. $8.50.

CAPITAL GOODS PRODUCTION IN THE THIRD WORLD: AN ECONOMIC STUDY OF TECHNOLOGY ACQUISITION, by Daniel Chudnovsky and Masafumi Nagao. N.Y., St. Martin's Press, 1983. 232 pp.

COMMON MARKET DIGEST: AN INFORMATION GUIDE TO THE EUROPEAN COMMUNITIES, by David Overton. N.Y., Facts on File Publications, 1983. 387 pp.

CONGRESS AND THE PRESIDENCY IN U.S. FOREIGN POLICYMAKING: A STUDY OF INTERACTION AND INFLUENCE, 1945–1982, by John Rourke. Boulder, Colo., Westview Press, 1983. 441 pp.

COUNTRIES OF THE WORLD AND THEIR LEADERS YEARBOOK 1984: A COMPILATION OF U.S. DEPARTMENT OF STATE REPORTS ON CONTEMPORARY POLITICAL AND ECONOMIC CONDITIONS, GOVERNMENTAL PERSONNEL AND POLICIES, POLITICAL PARTIES, RELIGIONS, HISTORY, EDUCATION, PRESS, RADIO AND TV, CLIMATE, AND OTHER CHARACTERISTICS OF SELECTED COUNTRIES OF THE WORLD; TOGETHER WITH TRAVEL ALERTS, PASSPORT AND VISA INFORMATION, WORLD HEALTH INFORMATION FOR TRAVELERS, CUSTOMS AND DUTY TIPS FOR RETURNING RESIDENTS, AND WORLD CLIMATE HIGHLIGHTS. Detroit, Gale Research Co., 1984. 2 vols.

CRITIQUE: REVIEW OF THE DEPARTMENT OF STATE'S COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES FOR 1983. N.Y., The Lawyers Committee for International Human Rights, 1984. 84 pp.

CURRENT PROBLEMS IN NUCLEAR STRATEGY AND ARMS CONTROL, by Brent Scowcroft. Claremont, Ca., The Keck Center for International Strategic Studies, Claremont McKenna College, 1984. 17 pp. (Essays on Strategy and Diplomacy, 1.)

DEALING WITH INTERNATIONAL CRISES: LESSONS FROM ZIMBABWE, by Jeffrey Davidow. Muscatine, Iowa, The Stanley Foundation, 1983. 23 pp. (Occasional Papers, 34.)

DEFENSE PLANNING IN LESS-INDUSTRIALIZED STATES: THE MIDDLE EAST AND SOUTH ASIA, ed. by Stephanie G. Neuman. Lexington, Mass., Lexington Books, 1984. 315 pp.

DEPENDENCY UNDER CHALLENGE: THE POLITICAL ECONOMY OF THE COMMONWEALTH CARIBBEAN, ed. by Anthony Payne and Paul Sutton. Dover, N.H., Manchester University Press, 1984. 295 pp. $35.00.

DETENTE: DOMESTIC POLITICS AS A STABILIZER OF FOREIGN POLICY, by Kjell Goldmann. Princeton, Center of International Studies, Woodrow Wilson School of Public and International Affairs, Princeton University, 1984. 89 pp. $7.50.

DILEMMAS OF ECONOMIC COERCION: SANCTIONS IN WORLD POLITICS, ed. by Miroslav Nincic and Peter Wallensteen. N.Y., Praeger, 1983. 250 pp. (Praeger Special Studies.)

DIMINISHING THE NUCLEAR THREAT: NATO'S DEFENCE AND NEW TECHNOLOGY. London, The British Atlantic Committee, 1984. 63 pp. £1.00.

THE EAI PAPERS. Marina del Rey, Ca., European American Institute for Security Research, 1983.
5. Russians and the Horn: opportunism and the long view, by Paul B. Henze. 53 pp. *6.* Defending the Upper Gulf: Turkey's forgotten partnership, by Marcy Agmon. 44 pp.

ECONOMICS AND WORLD POWER: AN ASSESSMENT OF AMERICAN DIPLOMACY SINCE 1789, ed. by William H. Becker and Samuel F. Wells, Jr. N.Y., Columbia University Press, 1984. 474 pp. $35.00 (paper, $10.00).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ECONOMICS OF NATIONAL SECURITY, by Lee D. Olvey, James R. Golden and Robert C. Kelly. Wayne, N.J., Avery Publishing Group, 1984. 404 pp. $35.00.

EDUCATION, REPRESSION & LIBERATION: NAMIBIA, by Justin Ellis. London, World University Service and The Catholic Institute for International Relations, 1984. 94 pp. (A Future for Namibia, 4.)

EMERGING STANDARDS OF INTERNATIONAL TRADE AND INVESTMENT: MULTINATIONAL CODES AND CORPORATE CONDUCT, ed. by Seymour J. Rubin and Gary Clyde Hufbauer. Totowa, N.J., Rowman & Allanheld, 1984. 201 pp.

LES ENJEUX DE LA BAUXITE: LA GUINÉE FACE AUX MULTINATIONALES DE L'ALUMINIUM, by Bonnie K. Campbell. Montreal, Les Presses de l'Université de Montréal; Geneva, Institut Universitaire de Hautes Études Internationales, 1983. 184 pp.

ETHIOPIA: AN HERETICAL REVOLUTION? by Rene Lefort. Totowa, N.J., Biblio Distribution Center (for the Zed Press, London), 1983. 301 pp.

THE FAR EAST AND AUSTRALASIA, 1983–84. London, Europa Publications Ltd. (distributed by Gale Research Co., Detroit), 15th ed., 1983. 912 pp. $140.00.

FORMULATING GRAND STRATEGY IN THE PACIFIC: THE INTERPLAY OF GLOBAL AND REGIONAL DEVELOPMENTS IN THE 1980S, by Robert O'Neill, with a commentary by Carl H. Builder. Santa Monica, Ca., California Seminar on International Security and Foreign Policy, 1984. 26 pp. (Discussion Papers, 101.)

THE FUTURE OF THE INTERNATIONAL OIL MARKET, by Edwin A. Deagle, Jr. N.Y., Group of Thirty, 1983. 54 pp.

GLEICHGEWICHT ODER ÜBERLEGENHEIT: AMERIKANISCHE RÜSTUNGSKONTROLLPOLITIK UND DAS SCHEITERN VON SALT II, by Bernd W. Kubbig. N.Y., Campus Verlag, 1984. 225 pp. (Studien der Hessischen Friedens- und Konfliktforschung.)

GOVERNMENTS AND MULTINATIONALS: POLICIES IN THE DEVELOPED COUNTRIES, by A.E. Safarian. Washington, British-North American Committee, 1983. 118 pp. $8.00.

GUIDE TO INTERNATIONAL HUMAN RIGHTS PRACTICE, ed. for The International Human Rights Law Group by Hurst Hannum. Philadelphia, University of Pennsylvania Press, 1984. 310 pp.

HAITI: POLITICAL FAILURES, CULTURAL SUCCESSES, by Brian Weinstein and Aaron Segal. N.Y., Praeger, 1984. 175 pp. (Praeger Special Studies.)

THE HAITIAN ECONOMY: MAN, LAND AND MARKETS, by Mats Lundahl. N.Y., St. Martin's Press, 1983. 290 pp.

HEADLINE SERIES. N.Y., Foreign Policy Association, 1984. $3.00 each.

265. The U.S.S.R. after Brezhnev, by Seweryn Bialer. 63 pp.

HONDURAS: ON THE BRINK; A REPORT ON HUMAN RIGHTS BASED ON A MISSION OF INQUIRY. N.Y., Lawyers Committee for International Human Rights, 1984. 71 pp.

INDEPENDENT KENYA. Westport, Conn., Lawrence Hill & Co. (for the Zed Press, London; sponsored by the Journal of African Marxists), 1982. 119 pp.

THE INDEPENDENT NUCLEAR STATE: THE UNITED STATES, BRITAIN AND THE MILITARY ATOM, by John Simpson. N.Y., St. Martin's Press, 1983. 340 pp.

INTEREST GROUPS AND POLITICAL DEVELOPMENT IN TURKEY, by Robert Bianchi. Princeton, N.J., Princeton University Press, 1984. 426 pp.

INTERNATIONAL DIMENSIONS OF PRIVATE DOMESTIC INSTITUTIONS, ed. by James A. Perkins. N.Y., International Council for Educational Development, 1984. 67 pp.

THE INTERNATIONAL FOUNDATION DIRECTORY, ed. by H.V. Hodson. Detroit, Gale Research Co., 3rd ed., 1983. 401 pp.

INTERNATIONAL GAS TRADE IN EUROPE: THE POLICIES OF EXPORTING AND IMPORTING COUNTRIES, by Jonathan P. Stern. London, Heinemann Educational Books (for The British Institutes' Joint Energy Policy Programme Policy Studies Institute and The Royal Institute of International Affairs), 1984. 204 pp. (Energy Papers, 8.)

INVESTING IN EUROPE'S FUTURE, ed. by Arnold Heertje. Oxford, Basil Blackwell (for the European Investment Bank), 1983. 218 pp.

INWARD INVESTMENT: POLICY OPTIONS FOR THE UNITED KINGDOM, by Michael Brech and Margaret Sharp. Boston, Routledge & Kegan Paul (for The Royal Institute of International Affairs), 1984. 112 pp. (Chatham House Papers, 21.)

ISLAMIC VALUES AND WORLD VIEW: KHOMEYNI ON MAN, THE STATE AND INTERNATIONAL POLITICS, by Farhang Rajaee. Lanham, Md., University Press of America, 1983. 148 pp. (American Values Projected Abroad: A Series Funded by the Exxon Education Foundation.)

ISRAEL IN U.S. FOREIGN AND SECURITY POLICIES, ed. by Nimrod Novik. Tel Aviv, Jaffee Center for Strategic Studies, Tel Aviv University, 1984. 74 pp. (Papers, 21.)

THE LATVIAN IMPACT ON THE BOLSHEVIK REVOLUTION. THE FIRST PHASE: SEPTEMBER 1917 TO APRIL 1918, by Andrew Ezergailis. N.Y., Columbia University Press (for the East European Monographs, Boulder), 1983. 421 pp.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE LETTERS AND PAPERS OF CHAIM WEIZMANN, ed. by Barnet Litvinoff. New Brunswick, N.J., Transaction Books, Rutgers University, 1983–84. $39.95 each.
Vol. I, Series B. August 1898-July 1931. 657 pp. *Vol. II, Series B.* December 1931-April 1952. 739 pp.

MAINLAND CHINA—WHY STILL BACKWARD? by Cheng Chu-yuan. Taipei, Kuang Lu Publishing Service, 1983. 68 pp. $1.00.

MALVINAS Y RÉGIMEN INTERNACIONAL, by Juan Carlos Puig. Buenos Aires, Ediciones Depalma, 1983. 244 pp.

MARITIME STRATEGY OR COALITION DEFENSE? by Robert W. Komer. Cambridge, Mass., Abt Books, 1984. 116 pp.

MEXICO'S ECONOMIC CRISIS: CHALLENGES AND OPPORTUNITIES, ed. by Donald L. Wyman. San Diego, Ca., Center for U.S.-Mexican Studies, University of California, 1983. 126 pp. (Monograph Series, 12.)

MILITARISM AND MILITARIZATION; SELECTED PAPERS PRESENTED TO THE VII WORLD CONFERENCE ON FUTURE STUDIES, JUNE 6–8, 1982: "THE FUTURE OF POLITICS," ed. by Bo Huldt and Atis Lejins. Stockholm, The Swedish Institute of International Affairs, 1983. 132 pp. (Conference Papers, 3.)

NAMIBIA: THE STRUGGLE FOR LIBERATION, by Alfred T. Moleah. Wilmington, Del., Disa Press, 1983. 341 pp. $10.00.

NATIONAL FOREIGN POLICIES AND EUROPEAN POLITICAL COOPERATION, ed. by Christopher Hill. Winchester, Mass., George Allen & Unwin (for The Royal Institute of International Affairs), 1983. 207 pp.

NATIONAL SECURITY SERIES. Kingston, Ont., Centre for International Relations, Queen's University, 1983.
1. NORAD: a new look, by Daniel C. Dose. 93 pp. *2.* Mountain warfare in Europe, by Gerhard Schepe. 101 pp.

THE NEW BOOK OF WORLD RANKINGS, by George Thomas Kurian. N.Y., Facts on File Publications, 1984. 490 pp. $29.95.

NEW ZEALAND AND THE PACIFIC, ed. by Roderic Alley. Boulder, Colo., Westview Press (for the Institute of Asian Affairs in Hamburg), 1984. 421 pp. $30.00.

NUPI NOTAT. Oslo, Norsk Utenrikspolitisk Institutt, 1983.
287. The "Nordic Balance" and the Northern Flank: a Norwegian perspective, by Johan J. Holst. 14 pp. *288.* Inside the moral community: politics in a Basque village, by Marianne Heiberg. 27 pp. *289.* Political consensus and dissent: some normative observations, by Johan J. Holst. 8 pp. *290.* Confidence and security-building measures in Europe: a possible agenda for the Stockholm Conference, by Johan J. Holst. 9 pp.

OCCASIONAL PAPERS. Braamfontein, The South African Institute of International Affairs, 1983.
A constructive approach to constructive engagement, by John Kane-Berman. 11 pp. No crisis: the implications of U.S. dependence on Southern African strategic minerals, by Michael Shafer. 10 pp.

OCCUPATION: ISRAEL OVER PALESTINE, ed. by Naseer H. Aruri. Belmont, Mass., Association of Arab-American University Graduates, 1983. 467 pp. (AAUG Monographs, 18.)

OIL SUPPLY DISRUPTIONS IN THE 1980S: AN ECONOMIC ANALYSIS, by Karim Pakravan. Stanford, Ca., Hoover Institution Press, 1984. 85 pp. (Hoover Press Publications, 290.) $9.95.

OPEC AND THE WORLD OIL MARKET 1973–1983, by A.M. El-Mokadem and others. London, Eastlords Publishing Ltd., 1984, 93 pp.

PAKISTAN'S NUCLEAR DILEMMA: ENERGY & SECURITY DIMENSIONS, by Akhtar Ali. Karachi, Economist Research Unit, 1984. 217 pp.

THE PEACE PROCESS 1969–1973: EFFORTS AND CONTACTS, by Mordechai Gazit. Jerusalem, The Magnes Press, The Hebrew University (for The Leonard Davis Institute for International Relations and The Harry S. Truman Research Institute for the Advancement of Peace), 1983. 155 pp. (Jerusalem Papers on Peace Problems, 35.)

THE PEOPLE'S REPUBLICS OF EASTERN EUROPE, by Jürgen Tampke. N.Y., St. Martin's Press, 1983. 178 pp.

A PERSPECTIVE ON LONG-TERM POPULATION GROWTH, by Paul Demeny. N.Y., The Population Council, 1984. 38 pp. (Center for Policy Studies Working Papers, 104.)

PERSPEKTIVEN EINER EUROPÄISCHEN FRIEDENSORDNUNG: KANN DAS EUROPÄISCHE PARLAMENT EINE ROLLE BEIM ZUSTANDEKOMMEN EINER EUROPÄISCHEN FRIEDENSORDNUNG SPIELEN? by Hans Günter Brauch. Berlin, Berlin Verlag, 1983. 94 pp. (Militärpolitik und Rüstungsbegrenzung, 3.)

THE PLO AND PALESTINE, by Abdallah Frangi. Totowa, N.J., Biblio Distribution Center, 1983. 256 pp.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PLO IN LEBANON: SELECTED DOCUMENTS, ed. by Raphael Israeli. N.Y., St. Martin's Press, 1983. 316 pp.

POLICY REVIEW AND OUTLOOK 1984; BEYOND RECOVERY: ADJUSTING TO THE FUTURE. Montreal, Quebec, C.D. Howe Institute, 1983. 72 pp. (A Staff Report.) $6.00.

PRESIDENT KENNEDY'S POLICY TOWARD THE ARAB STATES AND ISRAEL: ANALYSIS AND DOCUMENTS, by Mordechai Gazit. Tel Aviv, The Shiloah Center for Middle Eastern and African Studies, Tel Aviv University, 1983. 133 pp. (The Shiloah Center for Middle Eastern and African Studies Series.)

PROBLEMS OF DEVELOPMENT IN BEAUTIFUL COUNTRIES: PERSPECTIVES ON THE CARIBBEAN, by Ransford W. Palmer. Lanham, Md., The North-South Publishing Co., 1984. 91 pp.

PROMOTING THIRD WORLD AGRICULTURE: LESSONS OF RECENT EXPERIENCE, by Christopher D. Gerrard. Ottawa, The North-South Institute, 1983. 64 pp. $6.00.

DIE RAKETEN KOMMEN! VOM NATO-DOPPELBESCHLUSS BIS ZUR STATIONIERUNG, by Hans Günter Brauch. Köln, Bund-Verlag, 1983. 360 pp.

THE REFUGEE IN INTERNATIONAL LAW, by Guy S. Goodwin Gill. Oxford, Clarendon Press, 1983. 318 pp.

REGIONAL INTEGRATION IN EAST AND WEST, ed. by Christopher T. Saunders. N.Y., St. Martin's Press (for The Vienna Institute for Comparative Economic Studies), 1983. 272 pp.

THE RUSSIAN BUREAU: A CASE STUDY IN WILSONIAN DIPLOMACY, by Linda Killen. Lexington, Ky., The University Press of Kentucky, 1983. 202 pp.

THE SEA IN SOVIET STRATEGY, by Bryan Ranft and Geoffrey Till. Annapolis, Md., Naval Institute Press, 1983. 240 pp.

LA SÉCURITÉ DE LA SUISSE: LES DÉFIS DE L'AVENIR, ed. by Curt Gasteyger. Geneva, Institute Universitaire de Hautes Études Internationales, 1983. 123 pp.

SHARING DESTINY: A STUDY OF GLOBAL INTEGRATION, by Trygve Mathisen. Oslo, Universitetsforlaget, 1984. 185 pp.

THE SOVIET AIR FORCES, ed. by Paul J. Murphy. Jefferson, N.C., McFarland & Co., 1984. 375 pp. $39.95.

SOVIET ARMS TRANSFERS TO THE MIDDLE EAST IN THE 1970s, by Efraim Karsh. Tel Aviv, Jaffee Center for Strategic Studies, Tel Aviv University, 1983. 47 pp. (Papers, 22.)

SOVIET BLITZKRIEG THEORY, by P.H. Vigor. N.Y., St. Martin's Press, 1983. 218 pp.

THE SOVIET CONTROL STRUCTURE: CAPABILITIES FOR WARTIME SURVIVAL, by Harriet Fast Scott and William F. Scott. N.Y., Crane Russak (for the National Strategy Information Center), 1983. 146 pp.

THE SOVIET UNION AND CENTRAL EUROPE IN POST-WAR ERA: A STUDY IN PRECARIOUS SECURITY, by Kristian Gerner. Lund, Esselte Studium, 1984. 238 pp. (The Swedish Institute of International Affairs Research Report 1984, No. 10; University of Lund, Lund Studies in International History, 21.)

SRI LANKA: NATIONAL CONFLICT AND THE TAMIL LIBERATION STRUGGLE, by Satchi Ponnambalam. Totowa, N.J., Biblio Distribution Center, 1983. 273 pp.

STATE OF THE WORLD, 1984: A WORLDWATCH INSTITUTE REPORT ON PROGRESS TOWARD A SUSTAINABLE SOCIETY, ed. by Linda Starke. N.Y., W.W. Norton & Co., 1984. 252 pp. $15.95.

SUPERPOWER AT SEA: U.S. OCEAN POLICY, by Finn Laursen. N.Y., Praeger (for the Center of International Studies, Princeton University), 1983. 209 pp. (Praeger Special Studies.)

TEMPEST IN A TEAPOT: THE FALKLAND ISLANDS WAR, by R. Reginald and Jeffrey M. Elliot. San Bernardino, Ca., The Borgo Press, 1983. 173 pp. (Stokvis Studies in Historical Chronology and Thought, 3.)

THINKING ON WAR AND MILITARY FORCE IN THE KONRAD ADENAUER ERA (1949–1966), by Julian Lider. Stockholm, The Swedish Institute of International Affairs, 1984. 192 pp. (Essays on West German Military Thought, 1.)

TORTURE IN THE EIGHTIES. N.Y., Amnesty International USA, 1984. 263 pp. (An Amnesty International Report.) $5.95.

THE TWENTIETH-CENTURY WORLD: AN INTERNATIONAL HISTORY, by William R. Keylor. N.Y., Oxford University Press, 1984. 468 pp.

TYRANNY OF THE STATUS QUO, by Milton and Rose Friedman. N.Y., Harcourt Brace Jovanovich, 1984. 182 pp. $10.95.

UNNATURAL DEATHS IN THE USSR, 1928–1954, by Iosif G. Dyadkin. New Brunswick, N.J., Transaction Books, 1983. 63 pp.

U.S.-ASIAN RELATIONS: THE NATIONAL SECURITY PARADOX, ed. by James C. Hsiung. N.Y., Praeger, 1983. 208 pp.

THE U.S. EXPORT-IMPORT BANK: POLICY DILEMMAS AND CHOICES, by James J. Emery and others. Boulder, Colo., Westview Press, 1984. 120 pp. $17.50.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S. INTERNATIONAL BROADCASTING AND NATIONAL SECURITY, by James L. Tyson. N.Y., Ramapo Press (for the National Strategy Information Center), 1983. 153 pp. $7.95.

UNSPOKEN RULES AND SUPERPOWER DOMINANCE, by Paul Keal. N.Y., St. Martin's Press, 1983. 262 pp.

VÄRLDSPOLITIKENS DAGSFRÅGOR. Stockholm, Utrikespolitiska Institutet, 1983–84. Kr. 24.00 each.
12. Välfärdsstaten på gott och ont, by Patrik Engellau and Nicoline Kinch. 24 pp. *1.* Malaysia och ASEAN, by T.G. Wickbom. 32 pp.

VIETNAM AS HISTORY: TEN YEARS AFTER THE PARIS PEACE ACCORDS, ed. by Peter Braestrup. Washington, University Press of America (for The Wilson Center), 1984. 160 pp. (A Wilson Center Conference Report.)

WORLD ARMIES, by John Keegan. Detroit, Mich., Gale Research Co., 2d ed., 1983. 688 pp.

WORLD TRADE WAR, by Jan Woronoff. N.Y., Praeger, 1984. 313 pp. (Praeger Special Studies.)

WORLDWATCH PAPERS. Washington, Worldwatch Institute, 1983. $2.00 each.
56. Materials recycling: the virtue of necessity, by William U. Chandler. 52 pp. *58.* Air pollution, acid rain, and the future of forests, by Sandra Postel. 54 pp.

YEMEN ENTERS THE MODERN WORLD: SECRET U.S. DOCUMENTS ON THE RISE OF THE SECOND POWER ON THE ARABIAN PENINSULA, ed. by Ibrahim al-Rashid. Chapel Hill, N.C., Documentary Publications, 1984. 228 pp. (Documents on the History of Saudi Arabia, VI.)

THE YEN-DOLLAR RELATIONSHIP, MACRO-ECONOMIC POLICY, FINANCIAL AND CAPITAL MARKETS AND RELATED ISSUES, by Atsushi Mama. Tokyo, Keidanren, 1983. 97 pp. (Keidanren Papers, 10.)

ERRATA

Winter 1983/84

1. In Robert G. Neumann's "Assad and the Future of the Middle East," footnote 6 on page 244 incorrectly cited page 321 and misspelled the author's name. The footnote should read: "Dan Kurzman, *Ben-Gurion, Prophet of Fire*, New York: Simon & Schuster, 1983, p. 381.

Spring 1984

1. In Donald S. Zagoria's "China's Quiet Revolution," footnote 1 on page 881 incorrectly named the source of Robert F. Dernberger's essay as *The China Business Review*'s November-December 1983 series entitled "China Rethinks Its Economic System." The second sentence of footnote 1 should read: "A detailed and objective assessment as of 1982 was done by the Joint Economic Committee of Congress, *China Under the Four Modernizations*, Washington, D.C.: U.S. Government Printing Office, August 13, 1982, Part 1; among the many essays in this volume, of particular note is the essay by Robert F. Dernberger, "The Chinese Search for the Path of Self-Sustained Growth in the 1980s: An Assessment," pp. 19–77.

2. In Nicholas Guppy's "Tropical Deforestation: A Global View," the author's note on page 928, first sentence, incorrectly described Mr. Guppy's travels as in British Guinea. The sentence should read: "Nicholas Guppy, now living outside Cambridge, England, has been a close student of tropical rain forests for more than 35 years, with extensive early travels especially in British Guiana, now known as Guyana, and the areas north of the Amazon."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS INDEX TO VOLUME 62

NO. 1—FALL 1983

Foreign Policy and the American Character
Arthur Schlesinger, Jr. 1
Latin American Debt: Act Two . . . . . *Pedro-Pablo Kuczynski* 17
At War with Nicaragua . . . . . *Richard H. Ullman* 39
The Military Role of Nuclear Weapons:
Perceptions and Misperceptions . . . . . *Robert S. McNamara* 59
The United States in the World Economy:
A Fifty Year Perspective . . . . . *William Diebold, Jr.* 81
The Ploughshares War between Europe and America
Nicholas Butler 105
Japan: Stimulus or Scapegoat? . . . . . *Edson W. Spencer* 123
The Future of the PLO . . . . . *Eric Rouleau* 138
Turkey's Security and the Middle East . . . *Ali L. Karaosmanoğlu* 157
New Opportunities and New Challenges
Valéry Giscard d'Estaing 176
Comment and Correspondence . . . . . *Curtis Crawford, McGeorge Bundy, Chapour Bakhtiar, William R. Graham, Duncan L. Clarke* 200
Recent Books on International Relations 211
Source Material . . . . . *Janet Rigney* 229

NO. 2—WINTER 1983/84

Assad and the Future of the Middle East . . . . *Robert G. Neumann* 237
Nuclear War and Climatic Catastrophe: Some Policy Implications
Carl Sagan 257
Strategic Build-Down: A Context for Restraint . . . . . *Alton Frye* 293
France and the Euromissiles . . . . . *Pierre Lellouche* 318
Tensions in Canada's Foreign Policy
Adam Bromke and *Kim Richard Nossal* 335
The Rise, Fall and Future of Détente . . . . . *John Lewis Gaddis* 354
Revolution in the Making: Black Politics in South Africa
Thomas G. Karis 378
The Kampuchean Problem: A Southeast Asian Perception
Kishore Mahbubani 407
Report from Afghanistan . . . . . *Claude Malhuret* 426
PROFILE
Jeane Kirkpatrick at the United Nations
Seymour Maxwell Finger 436
Recent Books on International Relations 458
Source Material . . . . . *Janet Rigney* 477

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NO. 3.—AMERICA AND THE WORLD 1983

THE CONDUCT OF AMERICAN FOREIGN POLICY
A Portentous Year . . . . . *William P. Bundy* 485
As a European Saw It . . . . . *David Watt* 521
The World Economy in 1983: Marking Time . . . . . *Sylvia Ostry* 533
U.S.-Soviet Relations . . . . . *Walter Laqueur* 561
Buildup and Breakdown . . . . . *Strobe Talbott* 587
Europe and America in 1983 . . . . . *Christoph Bertram* 616
THE CRISIS AREAS
The Middle East: War Dangers and Receding Peace Prospects
Larry L. Fabian 632
Central America: From Quagmire to Cauldron?
Christopher Dickey 659
Democracy and Debt in South America:
A Continent's Dilemma . . . . . *Riordan Roett* 695
East Asia: Another Year of Living Dangerously
Chalmers Johnson 721
Africa Beset . . . . . *Jennifer Seymour Whitaker* 746
Chronology 1983 777

NO. 4—SPRING 1984

The Politics of Vulnerability: 1980–83 . . . . . *R. James Woolsey* 805
THE STAR WARS DEBATE
Nuclear Policy and the Defensive Transition
Keith B. Payne and *Colin S. Gray* 820
Ballistic Missile Defense: The Illusion of Security
William E. Burrows 843
Can America Manage Its Soviet Policy? . . . . . *Joseph S. Nye, Jr.* 857
China's Quiet Revolution . . . . . *Donald S. Zagoria* 879
Nigeria in Search of Democracy . . . . . *Larry Diamond* 905
Tropical Deforestation: A Global View . . . . . *Nicholas Guppy* 928
Scientific Frontiers and National Frontiers: A Look Ahead
Lewis Thomas 966
Comment and Correspondence . . . . . *Dan Horowitz, Robert J. Lieber, Edward N. Luttwak, Patrick Clawson, Russell Seitz, Thomas E. Stipe* 995
Recent Books on International Relations 1006
Source Material . . . . . *Janet Rigney* 1027

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NO. 5— SUMMER 1984

Trade and Debt: The Vital Linkage . . . . . *William E. Brock* 1037
The American Trade Deficit in Perspective . . . . *Arthur F. Burns* 1058
Argentina and Democracy . . . . . *Edward Schumacher* 1070
Central America: Real Economic Help is Workable Now
William H. Bolin 1096
Time Bomb or Myth: The Population Problem
Robert S. McNamara 1107
The Soviet Union: The Next Decade . . . . . *Robert A. Ford* 1132
Nuclear Arms Control: Where Do We Stand?
Harold Brown and *Lynn E. Davis* 1145
Direct Broadcast Satellites: Proximity, Sovereignty and
National Identity . . . . . *David Webster* 1161
Who Owns the Antarctic? . . . . . *Evan Luard* 1175
RECONSIDERATIONS
Arabs, Israelis—and Americans . . . . . *Alfred L. Atherton, Jr.* 1194
The Last Dozen Years: What Might We Learn?
William P. Bundy 1210
Comment and Correspondence . . . . . *Keith Schlesinger, Stanley Kober*
Lloyd C. Irland, Roger A. Sedjo, Norman K. Wessells 1238
Recent Books on International Relations 1247
Source Material . . . . . *Janet Rigney* 1269
Index—Volume 62 1278

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Does Wall Street know more about you than you know about Wall Street?

These days, knowing your own industry isn't enough.

You also have to know Wall Street–because it will play a key role in determining:

- How much your company is worth.
- How much money it can raise.
- Who will want to buy, merge with or invest in your company.
- The future of your personal investments and possibly even the direction of your career.

Whatever business you're in, you need to know what Wall Street is thinking and doing.

And for that you need *Institutional Investor*.

It's the magazine that tells you what's happening on Wall Street from the inside out.

As a subscriber, you're hiring the largest team of financial reporters under one roof–a team that's won nearly every conceivable award for probing financial journalism.

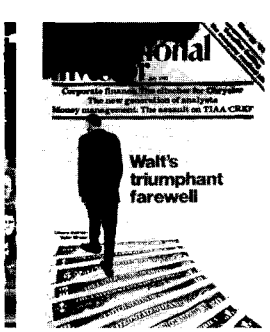
In every issue, they tell you what Wall Street's power brokers and deal-makers are up to. How and where the big money is moving around. The inside story on mergers, acquisitions and corporate finance.

Plus nitty-gritty reports on pension management, investor relations, portfolio strategy, insurance, international finance and much more. Some examples from recent issues:

- The hazards of high-tech takeovers.
- MCI's struggle for survival.
- Currency management: the boom in long-dated forwards.
- The new financing recipe at General Foods.
- A guide to the Japanese market.
- The remaking of the pension officer.
- How CFOs are coping with Latin America's turmoil.
- The conflict between activist money managers and the companies they invest in.
- The big power play at Lehman.
- Will pension liabilities hurt corporate balance sheets?
- Bell Canada's long-distance stock sale.
- Ranking the top underwriters, analysts, money managers.
- Can Continental bounce back?
- The interest rate swap comes of age.
- Getting acquainted with stock-index futures.

That's a sample of what you get. What you see is even more: dazzling graphics that illuminate the densest financial subjects. And a crisp, irreverent style that makes this financial magazine more fun than the sports pages.

Mail the coupon today to try *Institutional Investor* and save $48 off the regular price. Or call, toll-free: 800-223-1252. In New York State: 212-832-8888.



Institutional Investor
Subscription Department
488 Madison Avenue, New York, NY 10022

Please enter my 12-month (12-issue) trial subscription at the special rate of $72, a $48 saving off the regular price.

☐ Check enclosed ☐ Bill me later

NAME

TITLE

ORGANIZATION

ADDRESS

CITY

STATE ZIP

This limited time offer is for new U.S. and Canada subscribers only.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Fletcher School of Law and Diplomacy

INTERNATIONAL SECURITY STUDIES PROGRAM

Most Recent Publications (Books Published by *Archon Books*):

National Security Policy: The Decision-Making Process. Edited by Robert L. Pfaltzgraff, Jr. and Uri Ra'anan. Contributors are: William S. Cohen, John H. Cushman, John E. Endicott, John Erickson, Stanley J. Heginbotham, Michael Hobkirk, Christopher M. Lehman, S. Robert Lichter, Peter Nailor, Robert L. Pfaltzgraff, Jr., P.A. Phalon, Uri Ra'anan, John P. Roche, Harriet Fast Scott, Roy W. Stafford, and Richard C. White. (1984).

International Security Dimensions of Space. Edited by Uri Ra'anan and Robert L. Pfaltzgraff, Jr. Contributors are: Harry H. Almond, Jr., Bruno W. Augenstein, Patrick J. Friel, John B. Gantt, Frederic W. Giessler, Robert B. Giffen, John H. Hoagland, S. Neil Hosenball, Joseph E. Justin, Wallace E. Kirkpatrick, David Leinweber, John M. Logsdon, Robert L. Pfaltzgraff, Jr., Uri Ra'anan, Clarence A. Robinson, Barry J. Smernoff, Marcia S. Smith, and Marc E. Vaucher. (1984)

The U.S. Defense Mobilization Infrastructure: Problems and Priorities. Edited by Robert L. Pfaltzgraff, Jr. and Uri Ra'anan. Contributors are: E.F. Andrews, William K. Brehm, Thomas A. Callaghan, Jr., Michael Checinski, David A. Deese, Harry F. Ennis, Colin S. Gray, H. Rowland Ludden, John C. McLaurin, Ralph P. Novak, Lee M. Paschall, Robert L. Pfaltzgraff, Jr., Edward G. Rapp, Leon S. Reed, Alton D. Slay, Curtis W. Tarr, Leonard Unger, and William P. Wadbrook. (1983)

International Policy Formation in the USSR: Factional "Debates" During the Zhdanovschina. Gavriel D. Ra'anan. This book demonstrates that Soviet foreign policy in the early cold war years was largely shaped by an internal, almost feudal struggle between two factions formed around the men who hoped to succeed Stalin. The author shows that the cold war was mainly the result of a bitter factional struggle for power within the Kremlin. (1983)

Projection of Power: Perspectives, Perceptions and Problems. Edited by Uri Ra'anan, Robert L. Pfaltzgraff, Jr., and Geoffrey Kemp. Contributors are: C. Kenneth Allard, Barry M. Blechman, Alvin J. Cottrell, Russell E. Dougherty, Roger W. Fontaine, Zeiner Gundersen, Fred C. Ikle, Geoffrey Kemp, John Maurer, George Miller, Kenneth A. Myers, Hisashi Owada, Robert L. Pfaltzgraff, Jr., Gavriel D. Ra'anan, Uri Ra'anan, Jeffrey Record, James G. Roche, Michael Vlahos, R. James Woolsey, and Dov S. Zakheim. (1982)

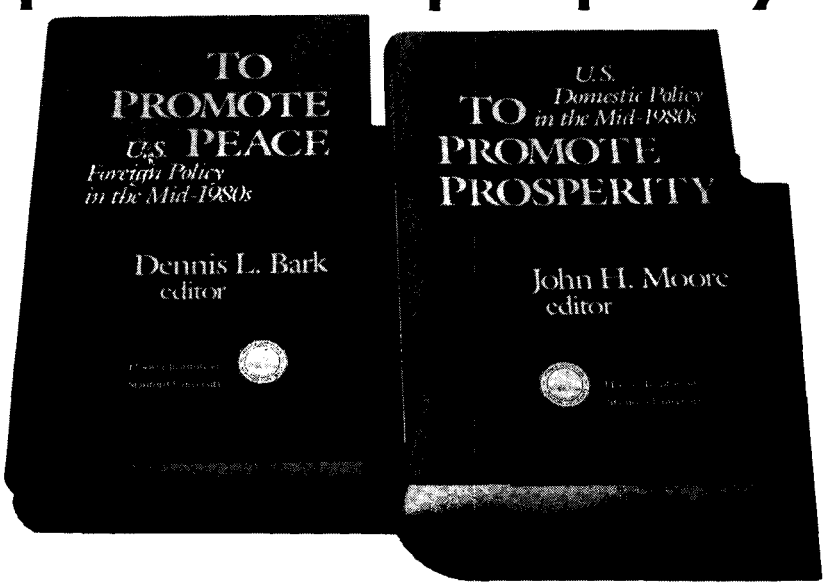
Intelligence Policy and National Security. Edited by Robert L. Pfaltzgraff, Jr., Uri Ra'anan and Warren H. Milberg. Contributors are: Richard K. Betts, Ladislav Bittman, Albert Carnesale, William E. Colby, John Erickson, Patrick J. Friel, Michael I. Handel, Reginald V. Jones, Amrom Katz, Thomas K. Latimer, Richard Mancke, Warren Milberg, Richard Perle, Robert L. Pfaltzgraff, Jr., Richard Pipes, Ithiel de Sola Pool, Uri Ra'anan, Clarence A. Robinson, Jr., John P. Roche, Edgar Ulsamer, Jasper A. Welch, and Roberta Wohlstetter. (1981)

For orders, write to *Archon Books*, P.O. Box 4327, Hamden, Connecticut 06514.

For monographs on related topics published by the Program, write to International Security Studies Program, The Fletcher School of Law and Diplomacy, Tufts University, Medford, Massachusetts 02155.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

To build an era of peace and prosperity.



TO PROMOTE PEACE
U.S. FOREIGN POLICY IN THE MID-1980s
Edited by Dennis L. Bark

These challenging and incisive essays furnish a realistic analysis of the prospects for peace in a world torn between freedom and totalitarianism. From recommendations for a reduction of U.S. forces in Europe and a respected, sophisticated intelligence service as the foundation for peace to well-balanced forecasts of what the future holds in areas of strategic importance—the Middle East, the Pacific Basin, the Americas—this collection furnishes fresh ideas and innovative policy approaches at every turn. Contributors include Arnold Beichman, Robert Conquest, Melvyn Krauss, and Edward Teller.

Cloth, $19.95 0-8179-7941-7

TO PROMOTE PROSPERITY
U.S. DOMESTIC POLICY IN THE MID-1980s
Edited by John H. Moore

Tough-minded and candid, these essays provide a rich amalgam of criticism of current policies and prescriptions for prosperity in today's intricate world. Beginning with recommendations for the addition of an Economic Bill of Rights to the Constitution and a possible end to the Federal Reserve's power to create money, and extending to an analysis of the Social Security system that challenges official forecasts, the hardheaded thinking in these essays is essential to longlasting prosperity. Among the contributors: Martin Anderson, Milton Friedman, Sidney Hook, and Rita Ricardo-Campbell.

Cloth, $19.95 0-8179-7951-4

Hoover Institution Press
STANFORD UNIVERSITY ☐ DEPT. 8158 ☐ STANFORD, CA 94305

To order, call:
1-800-227-1991
inside California:
(415) 497-3373

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"speaking straight to the American people on these hard matters"

"What is remarkable about this book is that the public will no longer have to leave it to the experts. The authors bring an authoritative new dimension to the public debate about nuclear weapons." —*Ruth Adams, Editor, Bulletin of the Atomic Scientists*

"This valuable book may make most of its readers even more frightened and horrified. But it furnishes an accurate synthesis of all the essential information available and because of this it is a volume indispensable to everyone who is determined to be knowledgeable about the terrors of the nuclear age."—*Robert F. Drinan, S.J., Georgetown University Law Center*

"It fills a need for those who want to follow the crucial debate about nuclear weaponry but are apt to be intimidated by the plethora of numbers and acronyms."—*Paul C. Warnke*

"*The Nuclear Weapons Databook* is a much-needed contribution to informing layman and expert alike about U.S. nuclear forces and capabilities."—*William H. Kincade, Executive Director, Arms Control Association*

"Here is the book for the arms-disarmament expert who has everything."—*Jerome B. Wiesner, President Emeritus, M.I.T.*

The New York Times
Book Review

March 11, 1984

NUCLEAR WEAPONS DATABOOK
Volume One: U.S. Nuclear Forces and Capabilities.
By Thomas B. Cochran, William M. Arkin and Milton M. Hoenig.
Illustrated. 340 pp. Cambridge, Mass.: A Natural Resources Defense Council Book / Ballinger Publishing Co./Harper & Row. Cloth, $38. Paper, $19.95.

By McGeorge Bundy

". . . This volume is called "U.S. Nuclear Forces and Capabilities," and it contains more facts about the past, present and future of such forces than have ever been put in one place before. It tells how few nuclear weapons we had at the beginning, only nine in 1946, and how many we have today, 26,000. It tells us . . .

. . . overall, this is a meticulous and responsible work that can be used with great confidence. It makes an excellent accompaniment to what one reads in a rather different volume, the annual report of the Defense Department to the Congress."

send me today
NUCLEAR WEAPONS DATABOOK,
Vol. I, U.S. Nuclear Forces and Capabilities

_____ Paperback, $19.95 (0-88410-173-8)
_____ Cloth, $38.00 (0-88410-172-X)
save $—prepaid orders shipped postage free
$1.25 postage/handling
_____ Total

☐ Payment enclosed ☐ Bill me
Charge to ☐ MC ☐ VISA ☐ AMX
Card No. _____ Exp. Dt._____
Signature _____
Name _____
Address _____
_____ Zip_____
FA 6

available from your bookseller
or
order *toll-free* by phone: (800) 638-3030
or
order by mail:

BALLINGER
PUBLISHING COMPANY
Dept. FA 6
54 Church Street, Cambridge, MA 02138

The BALLINGER Guarantee:
I understand that if I am not fully satisfied, I may return my order within 30 days for a full refund or cancellation of charges.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Take the inside track — take

THE
WASHINGTON QUARTERLY

"... an excellent resource for a sophisticated understanding of world affairs ... it is at the center of the debate on America's foreign policy decisions." — **Dr. Henry Kissinger**

"... an essential tool for anyone seriously involved in world affairs." — **Zbigniew Brzezinski**

Emphasizing a full range of issues — from strategic questions to economics, from foreign policy to business and banking — THE WASHINGTON QUARTERLY has become central to diplomats, government policymakers, prominent business leaders, journalists, and scholars. Each issue contains timely, comprehensive treatment of topics of vital current concern. For an insider's view of foreign policy controversies around the world, the track to take is THE WASHINGTON QUARTERLY.

WQFA

Name _____

Address _____

_____

_____ Zip _____

Mail to:
THE WASHINGTON QUARTERLY
The MIT Press Journals
28 Carleton St.
Cambridge, MA 02142

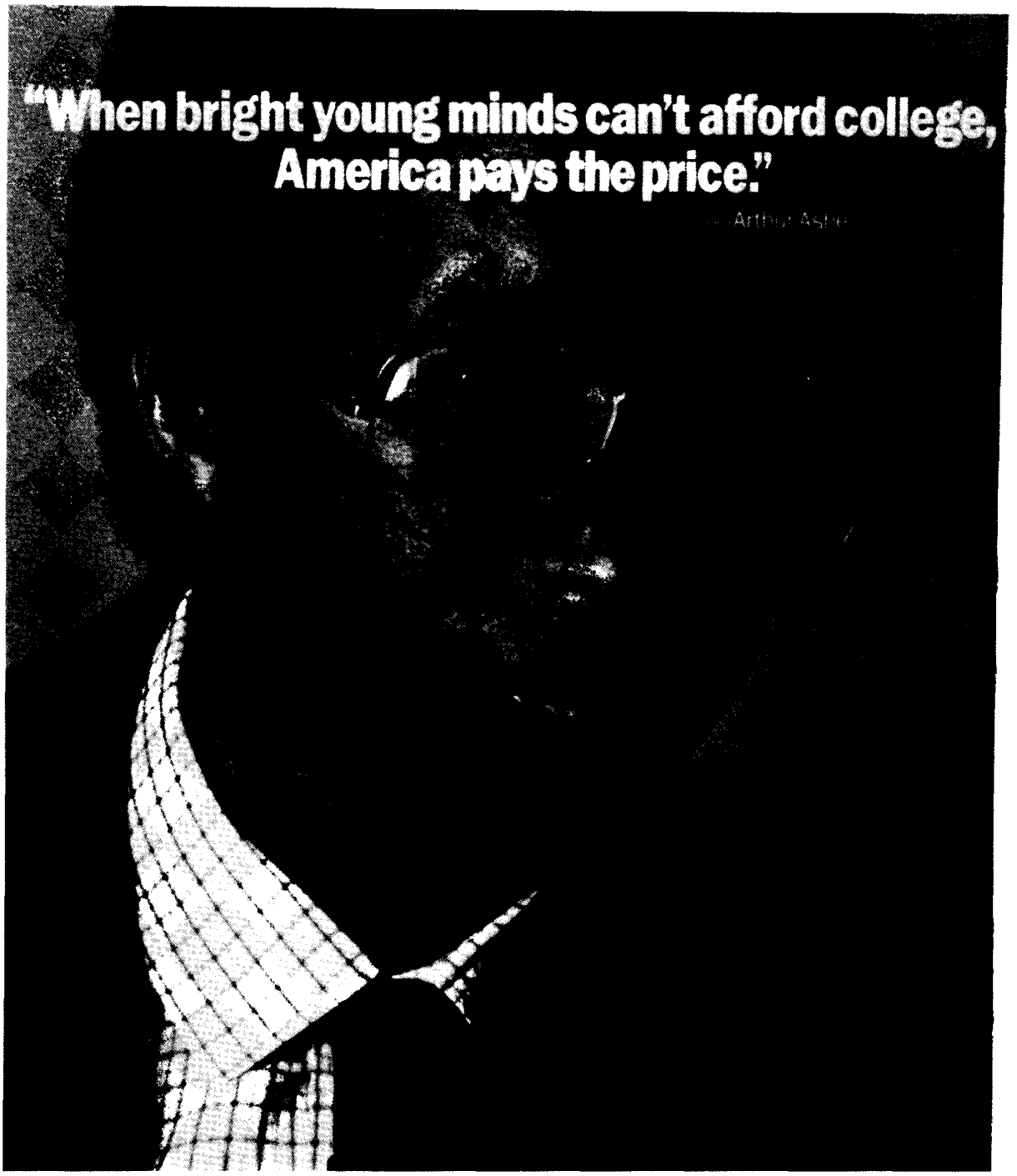
Enclosed is $ _____

☐ Renewal

Yearly Rates:
☐ Individuals $20
☐ Institutions $35

Outside USA and Canada add
☐ $4.00 surface mail
☐ $18.00 air mail

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



The high cost of college tuition can cost America doctors, teachers, engineers. Help us keep tuition down at 42 predominantly black colleges. Send your check to the United Negro College Fund, 500 East 62 St., New York, N.Y. 10021.

Give to the United Negro College Fund.
A mind is a terrible thing to waste.

A Public Service of This Publication
© 1983 United Negro College Fund, Inc.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

OECD publications

New External Debt Statistics Published

OECD's new edition of **EXTERNAL DEBT OF DEVELOPING COUNTRIES** covers total debt, debt structure and debt service, the cost of external finance, debt by major categories of countries, exposure of private banks, and debt rescheduling.

OECD Looks at Banking

OECD has just published two new books which examine various aspects of the banking industry. The first, **BANKING AND ELECTRONIC FUNDS TRANSFERS** looks at how EFT systems are changing the world of banking and credit card operations, and shows how government policy is being affected. The second, **THE INTERNATIONALIZATION OF BANKING**, examines the broad policy issues, looking at factors affecting its growth, its risk and profitability, and the methods unique to these operations.

OECD's New Economic Forecasts

The July 1984 **OECD ECONOMIC OUTLOOK** presents OECD's latest economic forecasts for Western Europe, the U.S. and Canada, Japan, Australia and New Zealand. The forecasts cover the next 18 months, and detailed statistical tables show trends for the past several years. Get the full story. Order your own copy today!

OECD Makes Forecasts for the Auto Industry

In its new publication, **LONG-TERM OUTLOOK FOR THE WORLD AUTOMOBILE INDUSTRY**, OECD discusses possible changes in the world automobile industry to the year 2000 from the point of view of demand, supply, and location. Industry responses to these changes are analyzed, and the role of governments in maintaining or re-establishing favorable conditions for the balanced growth of the sector is highlighted.

OECD Publishes a New Journal

Starting in Autumn 1983, and continuing each Spring and Autumn thereafter, OECD will publish a new journal, **OECD ECONOMIC STUDIES.** It will feature articles with macroeconomic and statistical analysis of problems with international or cross-country dimensions. Many of the articles will derive from papers prepared for OECD's intergovernmental committees by the OECD Secretariat or by consultants. The Spring 1984 issue contains articles on the coordination of fiscal and monetary policy; the effects of export restraints on Japanese trading behavior; inflation, holding gains, and savings; and other topics.

OECD's new catalog of publications will be out shortly. Check the box on the order form to get your copy!

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

Please send me:

____ copies of Economic Outlook #35 at $12.00 per copy.
____ copies of Banking and Electronic Funds Transfers at $22.00 per copy.
____ copies of Internationalization of Banking at $22.00 per copy.
____ copies of OECD Economic Studies #2 at $15.00 per copy.
____ copies of External Debt at $18.00 per copy.
____ copies of Long-Term Outlook at $15.00 per copy.
☐ Send Free Catalog.

My check or money order for _____ is enclosed.

Name _____

Address _____

City, State, Zip _____

Send orders to:

OECD Publications and Information Center
1750-F Pennsylvania Avenue, N.W.
Washington, D.C. 20006-4582 Tel. (202) 724-1857

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Publications of

The International Research Center for Energy & Economic Development

- **Journal of Energy and Development.** Vol. IX, No. 2 (spring 1984) includes articles on: Australia/New Zealand energy; U.S. - Third World energy policy; market-based estimation of reserves. Book review section. Annual subscription rates (surface post included): General/institutional-$32; University/public library-$24; Faculty/student (personal payment)-$14. Editor: Ragaei El Mallakh. Advisory Board of Editors: Kenneth Boulding; K. Farmanfarmaian; Robert Fernea; Bent Hansen; Charles Issawi; Malcolm Kerr; Robert Mabro; Edward S. Mason; Edith Penrose; Robert S. Pindyck; John P. Powelson; R. Bayly Winder.

- **Heavy vs. Light Oil: Technical Issues and Economic Considerations.** Proceedings of a special international conference, March 1982. About 275 pages $32. Available 1983.
ISBN 0-918714-07-9

- **The Oil Industry and Government Strategy in the North Sea,** Dr. Øystein Noreng. 268 pages. Hardcover, $27.50. 1980.
ISBN 0-918714-02-8

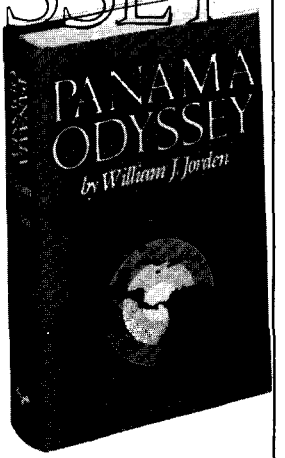
- **New Policy Imperatives for Energy Producers.** Proceedings of the 6th International Conference, University of Colorado, October 1979. 257 pages. $16.50. 1980.
ISBN 0-918714-06-0

- **Saudi Arabia: Energy, Development Planning, and Industrialization.** Proceedings of an international area conference, October 1980. Available 1982.

ICEED
216 Economics Bldg., Box 263
University of Colorado
Boulder, Colorado 80309 U.S.A.

PANAMA ODYSSEY

William J. Jorden



A first-hand account of the negotiations culminating in the Panama Canal Treaties of 1978—the most significant foreign policy achievement of the Carter presidency—by the former U.S. ambassador to Panama and diplomatic correspondent for the *New York Times*. Timely and well written, this vivid chronicle provides an insider's view of how the United States conducts its foreign policy.

"Ambassador Jorden has written a meticulous, no-holds-barred eyewitness account of one of the most intense diplomatic, political and legislative struggles of our time. It is a book sure to be as controversial as its subject." —**Howard H. Baker, Jr.**
U.S. Senate Majority Leader

"This is history as it should be written. . . . For all who care about the relations of nations this is a gripping account."
—**William D. Rogers**
Former U.S. Undersecretary of State

780 pages with 8 pages of historic photographs $24.50 hardcover

Now in bookstores
Or order from

University of Texas Press
BOX 7819 AUSTIN, TEXAS 78713

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Speak French like a diplomat!®

What sort of people need to learn a foreign language as quickly and effectively as possible? *Foreign service personnel,* that's who.

Now you can learn to speak French just as these diplomatic personnel do—with the Foreign Service Institute's Basic French Course.

The U.S. Department of State has spent thousands of dollars developing this course. It's by far *the most effective way* to learn French at your own convenience and at your own pace.

The Basic French Course consists of a series of cassettes and an accompanying textbook. Simply follow the spoken and written instructions, listening and repeating. By the end of the course, you'll be learning and speaking entirely in French!

This course turns your cassette player into a "teaching machine." With its unique "pattern drill" learning method, you set your own pace—testing yourself, correcting errors, reinforcing accurate responses.

The FSI's Introductory Basic French Course comes in two parts, each shipped in a handsome library binder. Part A introduces the simpler forms of the language and a basic vocabulary. Part B presents more complex structures and additional vocabulary. Order either, or save 10% by ordering both:

- ☐ **Basic French, Part A.** 12 cassettes, (15 hr.), and 194-p. text, $125.
- ☐ **Basic French, Part B.** 18 cassettes, (25 hr.), and 290-p. text, $149.

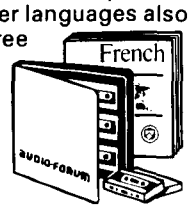
(Conn. and N.Y. residents add sales tax.)

TO ORDER BY PHONE, PLEASE CALL TOLL-FREE NUMBER: **1-800-243-1234**

To order by mail, clip this ad and send with your name and address, and a check or money order—or charge to your credit card (VISA, MasterCard, Diners, AmEx) by enclosing card number, expiration date, and your signature.

The Foreign Service Institute's French course is unconditionally guaranteed. Try it for three weeks. If you're not convinced it's the fastest, easiest, most painless way to learn French, return it and we'll refund every penny you paid. Order today!

112 courses in 35 other languages also available. Write us for free catalog. Our 12th year.



AUDIO-FORUM®

Audio-Forum
Room 420
On-The-Green
Guilford, CT 06437
(203) 453-9794

Or visit our New York sales office: 145 E. 49th St., New York, N.Y. 10017 (212)753-1783

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Jordan: Impact of Social Change on the Role of the Tribes
by Paul Jureidini & R.D. McLaurin
Washington Paper 108 $7.95
"...thoughtful, provocative analysis... goes far beyond tribes...thoroughly readable and well-researched..."
Morris Draper, Former Presidential Emissary to the Middle East

Strategic Implications of the Continental-Maritime Debate
by K. Dunn and W. Staudenmaier
Washington Paper 107 $7.95
"...analyzes two competing strategic paradigms, maritime and continental. Clear, concise, informative...first rate..."
Asa A. Clark, West Point

Modern Weapons and Third World Powers by R.W. Jones & S.A. Hildreth
CSIS Significant Issues $12.95
Examines defense performance and impact of Third World countries and their conventional and unconventional high-tech weaponry on conflict, U.S. policy.

MORE WASHINGTON PAPERS ($7.95)
West German Foreign Policy: The Domestic Setting by G. Schweigler
"...a major contribution to illuminating the certainties — and uncertainties — of West German politics..." **Uwe Nerlich**
U.S. Intelligence: Evolution and Anatomy by Mark Lowenthal

The United States and South Africa: Realities and Red Herrings
by H. Kitchen & M. Clough
CSIS Significant Issues $5.95
Addresses evolution of U.S.-South African policy since 1975, common denominators, changing South African politics, Soviet interests.

CSIS

Center for Strategic & International Studies
Georgetown University, 1800 K Street, N.W. #400
Washington, D.C. 20006 202-775-3174

THE
BASQUE INSURGENTS
ETA, 1952-1980

Robert P. Clark

Euzkadi ta Askatasuna (ETA), the Basque nationalist organization, is perhaps the most violent insurgent group on the European continent. Yet aside from newspaper accounts of its more turbulent activities, little is known of ETA outside of Spain. In a lively narrative style that will interest both specialist and nonspecialist, Robert P. Clark offers a full descriptive and analytical study of ETA, the first such analysis to appear in any language.

Clark devotes the first part of his book to a historical introduction of ETA, tracing the roots of Basque insurgency from the end of the Spanish Civil War through the formation of ETA in 1959. From this historical foundation, Clark moves on to an analysis of ETA—its internal organization, objectives, strategies, and activities. Based on interviews with a number of ETA members, including some in exile in France, he explains who joins ETA and why, and he analyzes the strength of support for ETA among the Basque population, the geographic base of ETA, and the Spanish government's responses to the organization.

Robert P. Clark, Professor of Government and Politics at George Mason University, is a renowned expert on Basque contemporary problems and radical politics. He is the author of numerous books and articles on Spanish and Third World political systems.

352 pages/cloth $29.50

Wisconsin
University of Wisconsin Press
114 N. Murray St., Madison, WI 53715

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The latest thinking on national defense in the nuclear age.

NUCLEAR ARMS

ETHICS
STRATEGY
POLITICS

Edited by
R. James Woolsey

from R. James Woolsey, Charles Krauthammer, Brent Scowcroft, Sam Nunn, Walter B. Slocombe, Amory and Hunter Lovins, Richard Burt, and others.

$8.95 paper (ISBN 0-917616-55-3)
$22.95 cloth (ISBN 0-917616-56-1)
289 pages

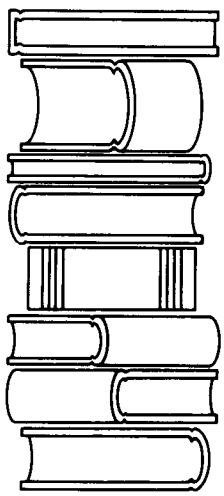
At better bookstores, or direct from:

ICS

ICS PRESS
Institute for Contemporary Studies
785 Market, Dept. 723
San Francisco, CA 94103

MONOGRAPHS TEXTBOOKS...

and other technical publications on Nuclear Energy



write for free publications and services catalog

American Nuclear Society
555 N. Kensington Ave.
La Grange Park, IL 60525
(312) 352-6611

Change of Address Form

If you are going to move, please advise FOREIGN AFFAIRS 60 days in advance to prevent any interruption in service. Both your old and new address must be given. And please enclose your mailing label. It will enable our Subscription Department to put the change into effect quickly. Many thanks.

ATTACH YOUR MAILING LABEL HERE

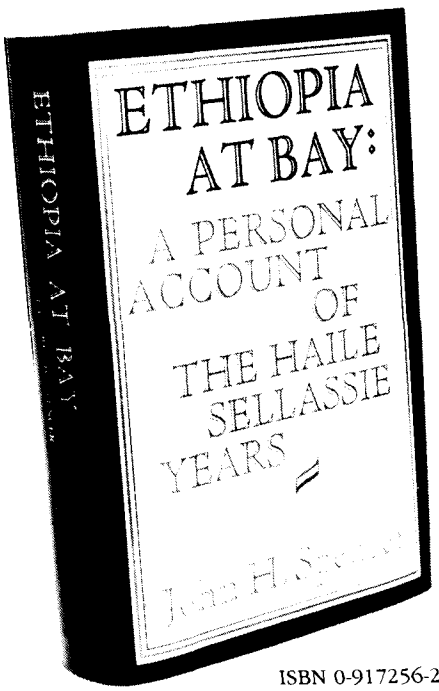
PLEASE PRINT

New Address
Name
Address
City
State Zip

Old Address:
Address
City
State Zip

Mail to: FOREIGN AFFAIRS
P.O. Box 2615
Boulder, Colorado 80322

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Just Published
A Remarkable New Book

Ethiopia At Bay

A Personal Account of the Haile Sellassie Years.
by John H. Spencer

411 pages: 46 photographs: 5 maps
Footnotes : Bibliography : Index

$24.95

Available from
REFERENCE PUBLICATIONS, INC.
218 St. Clair River Drive • Box 344 •
Algonac, Michigan 48001

ISBN 0-917256-25-5

COMPETITIVE EDGE
The Semiconductor Industry in the U.S. and Japan

Edited by Daniel I. Okimoto, Takuo Sugano, and Franklin B. Weinstein. An in-depth analysis of industrial competition between the world's two largest market economies, centering on the crucial issue of Japan's emergence as a force in the semiconductor industry and the threat this poses to traditional U.S. leadership in the high technology field. $27.50

INTERNATIONAL ARMS CONTROL
Issues and Agreements

SECOND EDITION

Stanford Arms Control Group. Edited by Coit D. Blacker and Gloria Duffy. This book presents a completely revised and updated analysis of national and international arms control: its history, philosophy, achievements, and future prospects, as well as its political, military, and economic ramifications. Cloth, $45.00; paper, $16.95

Stanford University Press

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MAINSTREAM POLITICS...

THE POST-BREZHNEV ERA
An Insider's View

Silviu Brucan

In this bold and incisive study, Silviu Brucan, former Romanian Ambassador to the United States and Ambassador to the United Nations, subjects Soviet society to an analysis as ruthless as that which Marx himself demanded of the capitalist order. State socialism, having fallen prey to economic, ideological, and political contradictions, must yield to the demands of an expanding industrial society. THE POST-BREZHNEV ERA probes the causes and consequences of the current Soviet impasse. This is a criticism that is, in Marx's own words, "not afraid of its own conclusions."
144 pp. 1983 $21.95 ISBN 0-03-069409-4

CONTENDING WITH KENNAN
Toward a Philosophy of American Power

Barton D. Gellman

Gellman creates a coherent presentation of Kennan's thought and weaves the component strands into a systematic idea of America's place in the world. His findings provide a powerful assessment of the influential theorists' views on strategy, tactics, the national interest, force, morality, and the potential and responsibilities of democracy in foreign affairs.
ca. 112 pp. July 1984 ca. $21.95 ISBN 0-03-063819-4

Also of Interest . . .

TURKEY
The Politics of Authority, Democracy and Development
Frank Tachau
ca. 178 pp. July 1984 ca. $21.95 ISBN 0-03-052626-4

BRAZIL
Politics in a Patrimonial Society, 3rd Ed.
Riordan Roett
ca. 272 pp. August 1984 ca. $24.95 ISBN 0-03-062037-6
Paper edition: ca. $10.95 ISBN 0-03-062038-4

Upcoming this Fall . . .

POLITICS AND PUBLIC POLICY IN KENYA AND TANZANIA
Revised Edition
edited by **Joel D. Barkan**
In press September 1984

THE DECADE OF ENERGY POLICY
Policy Analysis in Oil-Importing Countries
Paul Kemezis and **Ernest J. Wilson, III**
In press October 1984

Available through your local bookseller, or order directly from:

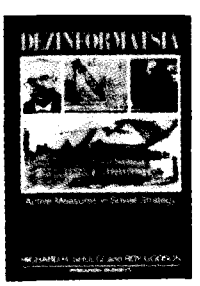
PRAEGER PUBLISHERS | **521 Fifth Avenue New York, N.Y. 10175**

"The most comprehensive study of Soviet active measures ever published in the West." —Stanislav Levchenko, former senior KGB officer

DEZINFORMATSIA

Active Measures in Soviet Strategy

Richard H. Shultz, Fletcher School of Law and Diplomacy
Roy Godson, Georgetown University



"Most Western journalists have neither the time nor the energy to approach the subject of (Soviet) disinformation systematically . . . I know of little American press coverage of the Pathe case . . . it deserved greater attention from journalists—attention it receives in this book."
—Daniel Southerland, **Christian Science Monitor**

"Describes exhaustively, and in an interesting way, the various techniques and the setting of Soviet propaganda and political-psychological warfare."
—Professor Adam Ulam, **Harvard University**

Professors Shultz and Godson . . .
- Document evidence only now becoming available on **how** the Kremlin influences Western politicians and the media.
- **Describe** the huge intelligence infrastructures in the Soviet bloc and Western capitals.
- Provide **interviews** with former senior Soviet bloc intelligence officers.

$19.95 (hardcover) $12.95 (softcover)

Copies of the book are available at local bookstores or from:

Pergamon-Brassey's

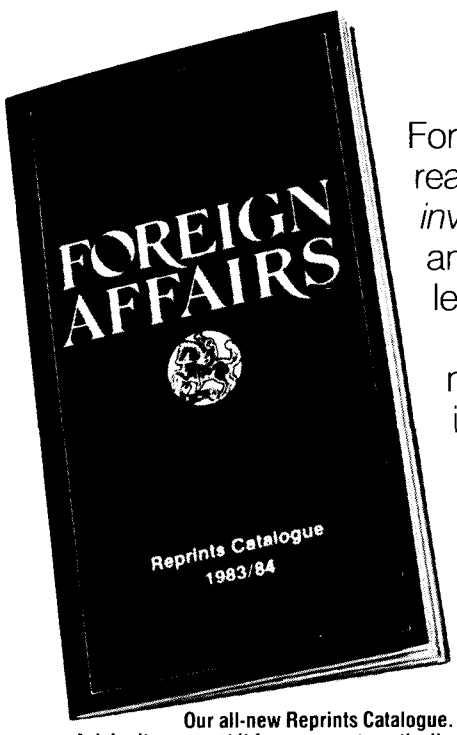
Maxwell House
Fairview Park
Elmsford, N.Y. 10523
(914)592-7700

Headington Hill Hall
Oxford, OX3 0BW
England
0865-64881

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The improved Foreign Affairs

2½ times as many titles.



Our all-new Reprints Catalogue.
Ask for it once, get it forever—automatically.

Since we first started making reprints of Foreign Affairs' articles available, thousands of readers have come to rely on them as an *invaluable tool* for disseminating information and influencing opinion among their colleagues, constituents, clients and students.

Diplomats, politicians, executives of multi-national corporations, labor leaders, international lawyers, economists, students and teachers—including many leaders whose business and foreign policy decisions affect us all—regularly order Foreign Affairs' reprints, often hundreds of copies at a time.

Now, this invaluable tool has been made even more valuable:

1. EXPANDED CATALOGUE 138 titles (as compared with the 54 we listed previously). And, starting with the Spring '83 issue, *every article* in Foreign Affairs will be reprinted, in stock, and ready for immediate shipment. **2. CROSS INDEX** Starting with our 1983/84 Reprints Catalogue, each article is indexed by category *and* by author—twice as easy to locate.

3. UPDATED CATEGORIES We've renamed the categories in the Reprints Catalogue to be more relevant, more contemporary, making specific articles far easier to locate.

4. QUICK DELIVERY New, computerized procedures means the articles you ordered should

Nuclear Weapons and the Atlantic Alliance
McGEORGE BUNDY, Special Assistant to the President of National Security Affairs, 1961-66; GEORGE F. KENNAN, U.S. Ambassador to Moscow in 1952; ROBERT S. MCNAMARA, Secretary of Defense, 1961-68; and GERARD SMITH, Chief of the U.S. Delegation to the SALT negotiations, 1969-72; put forth their now famous "No First Use" proposal.
Spring 1982, No. 60401

Our new format, actual size.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

expanded Reprints Program

6 ways easier to use.

be on your desk no more than two weeks after we receive your order.

5. NEW LOOK By eliminating article descriptions (except where absolutely necessary for clarity), we've been able to go to a bigger, bolder, easier-to-read typeface in the catalogue—making it a joy to use.

6. AUTOMATIC CATALOGUE PROGRAM

As updated Reprints Catalogues are printed, they will be mailed to you *automatically.* All you have to do is to order reprints once or request a free catalogue.

EXCLUSIVE: ANDREI SAKHAROV ON THE DANGER OF THERMONUCLEAR WAR
LEBANON
RUSSIA AFTER BREZHNEV
FOREIGN AFFAIRS
In the Spring Issue of Foreign Affairs Bundy, Kennan, McNamara and Smith explain why NATO's policy, since 1949, of Nuclear First Strike could be wrong. Dead wrong.
The people who influence foreign affairs read Foreign Affairs.

We usually get the big stories first. We often get them exclusively.

1983/84 REPRINTS LIST

CLASSICS

The Sources of Soviet Conduct
"X," GEORGE F. KENNAN, Ambassador to the Soviet Union in 1952 and to Yugoslavia, 1961-63. July 1947, No. 25403.

Reflections on American Diplomacy
HENRY A. KISSINGER. Secretary of State, 1973-76, and Nobel Peace Prize winner. October 1956, No. 35104.

The Silence in Russian Culture
ISAIAH BERLIN. October 1957, No. 36101.

The Underdeveloped and the Overdeveloped
MARGARET MEAD, noted anthropologist, examines assumptions behind and new criteria for aid to less-developed countries. October 1962, No. 41108.

Origins of the Cold War
ARTHUR SCHLESINGER, JR., historian and special assistant to the President, 1961-64. October 1967, No. 46102.

A Viet Nam Reappraisal
CLARK M. CLIFFORD. Secretary of Defense, 1968-69. July 1969, No. 47401.

The Bent Twig: A Note on Nationalism
ISAIAH BERLIN. October 1972, No. 51102.

Energy Strategy: The Road Not Taken?
AMORY B. LOVINS (*see* ENERGY). October 1976, No. 55105.

Rumors of War: The 1914 Analogy
MILES KAHLER. Associate Professor of Political Science at Yale. Winter 1979/80, No. 58209

Misconceptions about Russia Are a Threat to America
ALEKSANDR SOLZHENITSYN, noted Soviet writer and Nobel Prize winner. Spring 1980, No. 58402.

The Care and Repair of Public Myth
WILLIAM H. MCNEILL, Professor of History at the University of Chicago, examines the role that mutually accepted beliefs play in society. Fall 1982, No. 61101.

SHAPING AMERICAN FOREIGN POLICY

Foreign Policy and the American Character
ARTHUR SCHLESINGER, JR. Fall 1983, No. 62101.

Ceasefire Between the Branches: A Compact in Foreign Affairs
WARREN CHRISTOPHER, Deputy Secretary of State, 1977-81, proposes steps to end the battles between Congress and the Executive over foreign policy making. Summer 1982, No. 60501.

The Law of the Sea: A Crossroads for American Foreign Policy
LEIGH S. RATINER, a longtime U.S. negotiator on the subject, sharply criticizes the approach of the Reagan Administration and its final decision. Summer 1982, No. 60502.

Nuclear Weapons and the Atlantic Alliance
MCGEORGE BUNDY, Special Assistant to the President of National Security Affairs, 1961-66; GEORGE F. KENNAN, U.S. Ambassador to Moscow in 1952; ROBERT S. MCNAMARA, Secretary of Defense, 1961-68; and GERARD SMITH, Chief of the U.S. Delegation to the SALT negotiations, 1969-72; put forth their now famous "No First Use" proposal. Spring 1982, No. 60401.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Congress Versus the President: The Formulation and Implementation of American Foreign Policy
JOHN G. TOWER, a leading Senator, argues for a reduced congressional role. Winter 1981/82, No. 60201.

Assertive America
DANIEL YANKELOVICH and LARRY KAAGAN. A striking profile of American opinion in late 1980, by top pollsters. America and the World 1980, No. 59311.

The Purposes of American Power
ROBERT W. TUCKER, Professor of Political Science at The Johns Hopkins University, proposes a policy of moderate Soviet containment and wider global distribution of power. Winter 1980/81, No. 59201.

To Form a Government
LLOYD N. CUTLER, Counsel to the President, 1979-80, argues that the separation of power between legislative and executive branches often hampers effective government. Fall 1980, No. 59106.

America in Decline: The Foreign Policy of "Maturity"
ROBERT W. TUCKER, Professor of Political Science at The Johns Hopkins University. America and the World 1979, No. 58301.

Is a Foreign Policy Consensus Possible?
JAMES CHACE, Managing Editor of *Foreign Affairs*. Fall 1978, No. 57101.

The Uses of American Power
STANLEY HOFFMANN, Professor and Chairman of the Center for European Studies at Harvard, sets forth goals and guidelines for U.S. foreign policy. October 1977, No. 56102.

Elements of Power
WILLIAM P. BUNDY, Editor of *Foreign Affairs*, examines changes in distribution, use and composition of global power. October 1977, No. 56101.

Dictatorships and American Foreign Policy
WILLIAM P. BUNDY argues for an evenhanded approach that balances human rights with other national interests. October 1975, No. 54104.

Congress and the Making of American Foreign Policy
ARTHUR SCHLESINGER, JR. special assistant to the President, 1961-64. October 1972, No. 51106.

STRATEGIC AND MILITARY AFFAIRS

Preparing for the Unexpected: The Need for a New Military Strategy
ADMIRAL STANSFIELD TURNER, USN (ret.), Director of Central Intelligence, 1977-81; and CAPTAIN GEORGE THIBAULT, USN, Chairman of the Military Strategy Department at the National War College. Fall 1982, No. 61107.

Maritime Strategy vs. Coalition Defense
ROBERT W. KOMER, former Under Secretary of Defense, critiques the strategic concepts of the Reagan Administration. Summer 1982, No. 60508.

Arms Sales: The New Diplomacy
ANDREW J. PIERRE, Senior Fellow at the Council on Foreign Relations. Winter 1981/82, No. 60203.

Strategy in the Decade of the 1980s
PAUL H. NITZE, now chief U.S. negotiator for the INF delegation, argues for increased U.S. defense spending, as well as new economic and energy programs. Fall 1980, No. 59104.

The Naval Balance: Not Just a Numbers Game
ADMIRAL STANSFIELD TURNER, USN (ret.), Director of Central Intelligence, 1977-81. January 1977, No. 55207.

ARMS CONTROL AND NUCLEAR WEAPONS

The Danger of Thermonuclear War
ANDREI SAKHAROV, distinguished Soviet physicist and Nobel Peace Prize winner. An internationally famous statement on all the central issues, with especially noteworthy views on the MX. Summer 1983, No. 61501.

The Military Role of Nuclear Weapons: Perceptions and Misperceptions
ROBERT S. MCNAMARA. Fall 1983, No. 62104.

Reorganizing for More Effective Arms Negotiations
BARRY M. BLECHMAN and JANNE E. NOLAN. Two former members of the Arms Control and Disarmament Agency urge its abolition. Summer 1983, No. 61510.

The Churches and Nuclear Deterrence
L. BRUCE VAN VOORST, *Time* magazine correspondent. Spring 1983, No. 61404.

"Yellow Rain" and the Future of Arms Agreements
ROBERT L. BARTLEY and WILLIAM P. KUCEWICZ of *The Wall Street Journal* present the evidence of Soviet chemical and biological warfare. Spring 1983, No. 61403.

The Atlantic Alliance: Prescriptions for a Difficult Decade
GENERAL BERNARD W. ROGERS. Rejecting "no first use," the NATO Commander proposes ways to improve conventional deterrence. Summer 1982, No. 60509.

Nuclear Weapons and the Atlantic Alliance
MCGEORGE BUNDY, GEORGE F. KENNAN, ROBERT S. MCNAMARA, and GERARD SMITH put forth their now famous "No First Use" proposal (*see* Shaping American Foreign Policy). Spring 1982, No. 60401.

Winner of the 1983 National Magazine Award for Public Service.

Nuclear Weapons and the Preservation of Peace: A German Response
KARL KAISER, Director of the Research Institute of the German Society for Foreign Affairs; GEORG LEBER, West Germany's Defense Minister, 1972-78; ALOIS MERTES, on the Foreign Affairs Committee of the Bundestag; and GENERAL FRANZ-JOSEPH SCHULZE (ret.), Commander in Chief of Allied Forces Central Europe, 1977-79, respond to the Spring 1982 article on No First Use. Summer 1982, No. 60510.

The Debate over No First Use
The Chairman of the Joint Chiefs of Staff, a magazine editor, and three academics respond to the No First Use policy put forth in the Spring 1982 issue. Summer 1982, No. 60511.

NATO and Nuclear Weapons: Reasons and Unreason
STANLEY HOFFMANN, Professor and Chairman of the Center for European Studies at Harvard. Winter 1981/82, No. 60206.

MAD VS. NUTS: The Mutual Hostage Relationship of the Superpowers
SPURGEON M. KEENY, JR., Deputy Director of the Arms Control and Disarmament Agency, 1977-81; and WOLFGANG K. H. PANOFSKY, Director of the Stanford Linear Accelerator Center. Winter 1981/82, No. 60204.

Reassessing Nuclear Nonproliferation Policy
GERARD SMITH, Special Presidential Representative for nonproliferation matters, 1977-80; and GEORGE RATHJENS, Professor of Political Science at M.I.T. Spring 1981, No. 59407.

INTERNATIONAL TRADE AND ECONOMICS

Rethinking the Ground Rules for an Open World Economy
ROBERT D. MULDOON, Prime Minister of New Zealand, argues for a new Bretton Woods. Summer 1983, No. 61506.

Double or Nothing: Open Trade and Competitive Industry
JOHN ZYSMAN and STEPHEN S. COHEN, professors at Berkeley, propose ways to achieve both. Summer 1983, No. 61508

Mastering the "Worldeconomy"
ALBERT BRESSAND, director of the Institut Francais des Relations Internationales' annual reports on the world economy. Spring 1983, No. 61401.

Beyond Free Trade
ROBERT B. REICH, lecturer at Harvard's John F. Kennedy School of Government, urges government action to foster U.S. economic adjustment. Spring 1983, No. 61402.

A Very Painful World Adjustment
SAMUEL BRITTAN, Assistant Editor of the *Financial Times*, London, advocates close international cooperation to ease the current economic malaise. America and the World 1982, No. 61303.

Latin American Debt
PEDRO-PABLO KUCZYNSKI, President of First Boston International, and Peru's Minister of Energy and Mines, 1980-82. Winter 1982/83, No. 61206.

What To Do About the U.S.-Japan Economic Conflict
C. FRED BERGSTEN, Assistant Secretary of the Treasury for International Affairs, 1977-81, Summer 1982, No. 60505.

Making Industrial Policy
ROBERT B. REICH, lecturer at Harvard's John F. Kennedy School of Government. Spring 1982, No. 60407.

Restructuring the World Economy: Round II
HOLLIS B. CHENERY, Vice President, Development Policy, of the World Bank. Summer 1981, No. 59508.

Inflation and American Power
DAVID P. CALLEO, Professor of European Studies at The Johns Hopkins University's School of Advanced International Studies, traces the rise of inflation substantially to U.S. overseas expenditures and urges a sharp cut in the U.S. contribution to NATO. Spring 1981, No. 59403.

East-West Trade: A European View
GIOVANNI AGNELLI, Chairman of Fiat and the Agnelli Foundation. Summer 1980, No. 58502.

The International Role and Fate of the Dollar
ROBERT TRIFFIN, Professor of Economics at Yale. Winter 1978/79, No. 57202.

Multinational Corporations in World Politics
JOSEPH S. NYE, JR., Professor of Government at Harvard. October 1974, No. 53109.

Multinationals and Developing Countries: Myths and Realities
PETER F. DRUCKER, Professor of Social Science at the Claremont Graduate School. October 1974, No. 53107.

ENERGY

Oil: An Agenda for the 1980s
WALTER J. LEVY, consultant to industry and governments. Summer 1981, No. 59507.

Oil and the Decline of the West
WALTER J. LEVY. Summer 1980, No. 58501.

Nuclear Power and Nuclear Bombs
AMORY B. LOVINS, a consultant physicist active in energy policy in 15 countries; L. HUNTER LOVINS, lawyer, sociologist, political scientist and forester; and LEONARD ROSS, lecturer at Berkeley, Summer 1980, No. 58509.

Energy: An Emergency Telescoped
ROBERT STOBAUGH, Professor at the Harvard Business School; and DANIEL YERGIN, adjunct lecturer at Harvard's Energy and Environmental Policy Center. America and the World 1979, No. 58305.

After the Second Shock: Pragmatic Energy Strategies
ROBERT STOBAUGH and DANIEL YERGIN. Spring 1979, No. 57407.

Energy Strategy: The Road Not Taken?
AMORY B. LOVINS, The basic case for soft energy choices. October 1976, No. 55105

THE THIRD WORLD

Science and the Villager: The Last Sleeper Wakes
RICHARD CRITCHFIELD, longtime reporter on rural development in the Third World, sees remarkable progress and changes in attitudes toward the use of new Western technology. Fall 1982, No. 61102.

The Law of the Sea: A Crossroads for American Foreign Policy
LEIGH S. RATINER (*see* SHAPING AMERICAN FOREIGN POLICY). Summer 1982, No. 60502.

The Third World and U.S.-Soviet Competition
HENRY TROFIMENKO, head of the U.S. foreign policy study department in the Institute of U.S. and Canadian Studies of the U.S.S.R.'s Academy of Sciences. Summer 1981, No. 59503.

The Fate of Nonalignment
FOUAD AJAMI, Director of Middle East Studies at The Johns Hopkins University's School of Advanced International Studies, examines the internal, economic and cultural threats to nonalignment in Third World countries. Winter 1980/81, No. 59206.

HUMAN RIGHTS

Right Versus Right: Immigration and Refugee Policy in the United States
MICHAEL S. TEITELBAUM, population and immigration expert, examines the arguments surrounding the present acute controversy over new legislation. Fall 1980, No. 59102.

Human Rights and Foreign Policy: A Proposal
WILLIAM F. BUCKLEY, JR., Editor of *National Review*. Spring 1980, No. 58401.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Human Rights and the American Tradition
ARTHUR SCHLESINGER, JR., Albert Schweitzer Professor in the Humanities at the City University of New York. America and the World 1978, No. 57304.

What Price Principle? — U.S. Policy on Human Rights
SANDRA VOGELGESANG, A Foreign Service officer. July 1978, No. 56409.

Dictatorships and American Foreign Policy
WILLIAM P. BUNDY (*see* SHAPING AMERICAN FOREIGN POLICY). October 1975, No. 54104.

THE SOVIET UNION AND EASTERN EUROPE

Habitual Hatred—Unsound Policy
CHARLES McC. MATHIAS, JR., Senator from Maryland, argues against confrontation and for wider U.S.-Soviet relations. Summer 1983, No. 61502.

Reagan and Russia
SEWERYN BIALER. Director of the Research Institute on International Change at Columbia University; and JOAN AFFERICA, Professor of History at Smith College. Winter 1982/83, No. 61201.

Coherent Defense Strategy: The Case for Economic Denial
LOUIS J. WALINSKY, economist and consultant. Winter 1982/83, No. 61202.

Soviet Agriculture's Dependence on the West
KARL-EUGEN WADEKIN, Professor at the Center of Continental Agricultural Research, University of Giessen, West Germany. Spring 1982, No. 60408.

Swollen State, Spent Society: Stalin's Legacy to Brezhnev's Russia
ROBERT C. TUCKER of Princeton presents a cogent historical analysis of the lasting internal impact of Stalinism. Winter 1981/82, No. 60211.

The Harsh Decade: Soviet Policies in the 1980s
SEWERYN BIALER. Summer 1981, No. 59502.

Misconceptions about Russia Are a Threat to America
ALEKSANDR SOLZHENITSYN (*see* CLASSICS). Spring 1980, No. 58402.

The Nature of Soviet Power
ROBERT LEGVOLD, Senior Fellow at the Council on Foreign Relations. October 1977, No. 56103.

Politics and Soviet-American Trade: The Three Questions
DANIEL YERGIN, lecturer at the Harvard Business School. April 1977, No. 55304.

The Silence in Russian Culture
ISAIAH BERLIN (*see* CLASSICS). October 1957, No. 36101.

The Sources of Soviet Conduct
"X", GEORGE F. KENNAN (*see* CLASSICS). July 1947, No. 25403.

WESTERN EUROPE

European Self-Reliance and the Reform of NATO
HEDLEY BULL, Professor of International Relations at Oxford. Spring 1983, No. 61406.

Europe and America: The Politics of Resentment (Cont'd)
JOSEF JOFFE, senior editor of the German weekly *Die Zeit*. America and the World 1982, No. 61304.

Reassurance and Deterrence: Western Defense in the 1980s
MICHAEL HOWARD, Regius Professor at Oxford. Winter 1982/83, No. 61204.

The Long-Term Crisis of the Alliance
ELIOT A. COHEN, Assistant Professor of Government at Harvard University, argues for a complete overhaul of NATO's structure. Winter 1982/83, No. 61205.

Toward an Overall Western Strategy for Peace, Freedom and Progress
HANS-DIETRICH GENSCHER, West Germany's Foreign Minister since 1974. Fall 1982, No. 61103.

The Atlantic Alliance: Prescriptions for a Difficult Decade
GENERAL BERNARD W. ROGERS (*see* ARMS CONTROL AND NUCLEAR WEAPONS). Summer 1982, No. 60509.

Mitterrand's Foreign Policy: The Limits of Continuity
DOMINIQUE MOISI, Assistant Director of the Institut Francais des Relations Internationales. Winter 1981/82, No. 60207.

Inflation and American Power
DAVID P. CALLEO (*see* INTERNATIONAL TRADE AND ECONOMICS). Spring 1981, No. 59403.

Europe and Her Defense
PIERRE LELLOUCHE, head of the European Security Program at the Institut Francais des Relations Internationales. Spring 1981, No. 59404.

European-American Relations: The Enduring Crisis
JOSEF JOFFE, senior editor of the German weekly *Die Zeit*. Spring 1981, No. 59405.

A Policy of Reliable Partnership
HELMUT SCHMIDT Chancellor of West Germany, 1974-82, writes on the need and bases for a firm European-American partnership. Spring 1981, No. 59401.

THE MIDDLE EAST

Israel and the West Bank: The Implications of Permanent Control
RABBI ARTHUR HERTZBERG, Vice President of the World Jewish Congress. Summer 1983, No. 61505.

How to Rebuild Lebanon
DAVID IGNATIUS, Middle East correspondent of *The Wall Street Journal*. Summer 1983, No. 61509.

Iran's Durable Revolution
ELAINE SCIOLINO, *Newsweek* correspondent. Spring 1983, No. 61407.

Middle East: Progress or Lost Opportunity?
JOSEPH J. SISCO, a former Under Secretary of State, summarizes an eventful year. America and the World 1982, No. 61306.

Israeli Politics and American Foreign Policy
IAN S. LUSTICK, Associate Professor of Government at Dartmouth College. Winter 1982/83, No. 61208.

Begin's Rhetoric and Sharon's Tactics
AMOS PERLMUTTER, Editor of the *Journal of Strategic Studies*. Fall 1982, No. 61104.

Lebanon: A New Republic?
GHASSAN TUENI, Lebanese Ambassador at the U.N., proposes ways to reestablish his country. Fall 1982, No. 61105.

Israel's Role in a Changing Middle East
YITZHAK SHAMIR, Israel's Foreign Minister. Spring 1982, No. 60403.

Implications of the Iraq-Iran War
CLAUDIA WRIGHT, Washington correspondent for the London *New Statesman*. Winter 1980/81, No. 59202.

A Strategy for Peace in the Middle East
SHIMON PERES, Chairman of Israel's Labor Party. Spring 1980, No. 58406.

The End of Pan-Arabism
FOUAD AJAMI, Director of Middle East Studies at The Johns Hopkins University's School of Advanced International Studies. Winter 1978/79, No. 57207.

NEW*

The Star Wars Debate: Nuclear Policy and the Defensive Transition
KEITH B. PAYNE and COLIN S. GRAY
SPRING 1984, NO. 62402

The Star Wars Debate: Ballistic Missile Defense: The Illusion of Security
WILLIAM E. BURROWS, Spring 1984, No. 62403

The Politics of Vulnerability: 1980–83
R. JAMES WOOLSEY, Spring 1984, No. 62401

Nuclear War and Climatic Catastrophe: Some Policy Implications
CARL SAGAN, Winter 1983/84, No. 62202.

The Conduct of America Foreign Policy: A Portentous Year
WILLIAM P. BUNDY, America and the World 1983, No. 62301

Central America: From Quagmire to Cauldron?
CHRISTOPHER DICKEY, America and the World 1983, No. 62308

Buildup and Breakdown
STROBE TALBOTT, America and the World 1983, No. 62305

China's Quiet Revolution
DONALD S. ZAGORIA, Spring 1984, No. 62405

Scientific Frontiers and National Frontiers: A Look Ahead
LEWIS THOMAS, Spring 1984, No. 62408

Africa Beset
JENNIFER SEYMOUR WHITAKER, America and the World 1983, No. 62311

Jeane Kirkpatrick at the United Nations
SEYMOUR MAXWELL FINGER, Winter 1983/84, No. 62210.

The Rise, Fall and Future of Detente
JOHN LEWIS GADDIS, Winter 1983/84, No. 62206.

* These selected titles, as well as all the articles in this Summer 1984 issue, are now available in reprint.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AFRICA

Africa: Crisis of Confidence
JOHN DE ST. JORRE, author and journalist, writes about the failure of the Organization of African Unity Summit and the increasing economic and political problems that plague the region. America and the World 1982, No. 61309.

Facing Up to Africa's Food Crisis
CARL K. EICHER, Director of the African Rural Economy Program at Michigan State University. Fall 1982, No. 61109.

South Africa: Is Change Coming?
JOHN DE ST. JORRE. Fall 1981, No. 60107.

The United States and Africa: Victory for Diplomacy
ANDREW YOUNG, U.S. Ambassador to the United Nations, 1977-79. America and the World 1980, No. 59309.

South Africa: Strategy for Change
CHESTER A. CROCKER, Assistant Secretary of State for African Affairs. Winter 1980/81, No. 59204.

Zimbabwe, Southern Africa and the Rise of Robert Mugabe
XAN SMILEY, editorial writer for the London *Times*. Summer 1980, No. 58505.

South Africa—What Is To Be Done
CLYDE FERGUSON, Deputy Assistant Secretary of State for African Affairs, 1972-73; and WILLIAM R. COTTER, President of the African-American Institute, 1970-79. January 1978, No. 56201.

ASIA

The Moscow-Beijing Détente
DONALD S. ZAGORIA, Professor of Government at Hunter College. Spring 1983, No. 61405.

A Decade of Sino-American Relations
MICHEL OKSENBERG, Professor of Political Science at the University of Michigan and former member of the NSC staff. Fall 1982, No. 61110.

Japanese Security Policies and the United States
GERALD L. CURTIS, Professor of Political Science at Columbia University. Spring 1981, No. 59406.

China Policy for the 1980s
MICHEL OKSENBERG. Winter 1980/81, No. 59203.

China Enters the 1980s
ROSS TERRILL, reporter and author of several books on China. Spring 1980, No. 58408.

Japan: The Problems of Success
PETER F. DRUCKER, Professor of Social Science at the Claremont Graduate School. April 1978, No. 56308.

The Sinic World in Perspective
EDWIN O. REISCHAUER, U.S. Ambassador to Japan, 1961-66. January 1974, No. 52209.

The New China and the American Connection
JOHN K. FAIRBANK, Director of Harvard's East Asian Research Center. October 1972, No. 51103.

India and the World
INDIRA GANDHI, Prime Minister of India. October 1972, No. 51105.

CANADA AND LATIN AMERICA

Nicaragua's Imperiled Revolution
ARTURO J. CRUZ, member of the Nicaraguan government Junta, 1980-81. Summer 1983, No. 61503.

The Case for Power Sharing in El Salvador
PIERO GLEIJESES, Adjunct Professor of U.S. Foreign Policy and Latin American Studies at The Johns Hopkins University's School of Advanced International Studies. Summer 1983, No. 61504.

The Central American Quagmire
ALAN RIDING, *The New York Times'* Mexico Bureau Chief, suggests an alternative to U.S. policy toward Central America. America and the World 1982, No. 61307.

War and Debt in South America
SUSAN KAUFMAN PURCELL, Senior Fellow at the Council on Foreign Relations. America and the World 1982, No. 61308.

Latin American Debt
PEDRO-PABLO KUCZYNSKI (*see* INTERNATIONAL TRADE AND ECONOMICS). Winter 1982/83. No. 61206.

Latin American Debt: Act Two
PEDRO-PABLO KUCZYNSKI. Fall 1983, No. 62102.

At War With Nicaragua
RICHARD H. ULLMAN. Fall 1983, No. 62103.

Canada, the United States and the World Economy
MARIE-JOSEE DROUIN, Executive Director of Canada's Hudson Institute; and HARALD B. MALMGREN, U.S. Deputy Special Trade Representative, 1972-75. Winter 1981/82, No. 60210.

Central America: No Easy Answers
RICHARD E. FEINBERG, Director of the Foreign Policy Program at the Overseas Development Council. Summer 1981, No. 59509.

The United States and Latin America: Ending the Hegemonic Presumption
ABRAHAM F. LOWENTHAL, head of the Latin American Program at the Woodrow Wilson International Center for Scholars. October 1976, No. 55112.

Canada: The New Nationalism
ABRAHAM ROTSTEIN, Professor of Political Science at the University of Toronto. October 1976, No. 55106

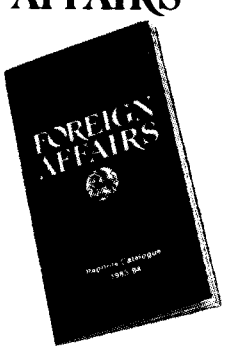
REPRINT PRICES

1 reprint	$3.00 each
2-100 of same article	2.00 each
101-200 of same article	1.50 each
201-300 of same article	1.25 each
More than 300 reprints	Quotation on request

Foreign Affairs
Reprints Department
Telephone (212) 734-0400

Cut out and mail this order form today.
Mail to Reprints Department, Foreign Affairs,
58 East 68th Street, New York, N.Y. 10021.

FOREIGN AFFAIRS



Included with your order, a *free* 1983/84 Reprints Catalogue of 138 articles. (You'll receive updated catalogues automatically thereafter.) You may request the catalogue only.

Catalogue Only—FREE ☐

Reprint No.	Title	Quantity	Price
		Shipping & Handling	
		Total	

SHIP THIS ORDER TO: Date _____

Please Print
Name

Title

Organization

Street

City

State Zip Code Country

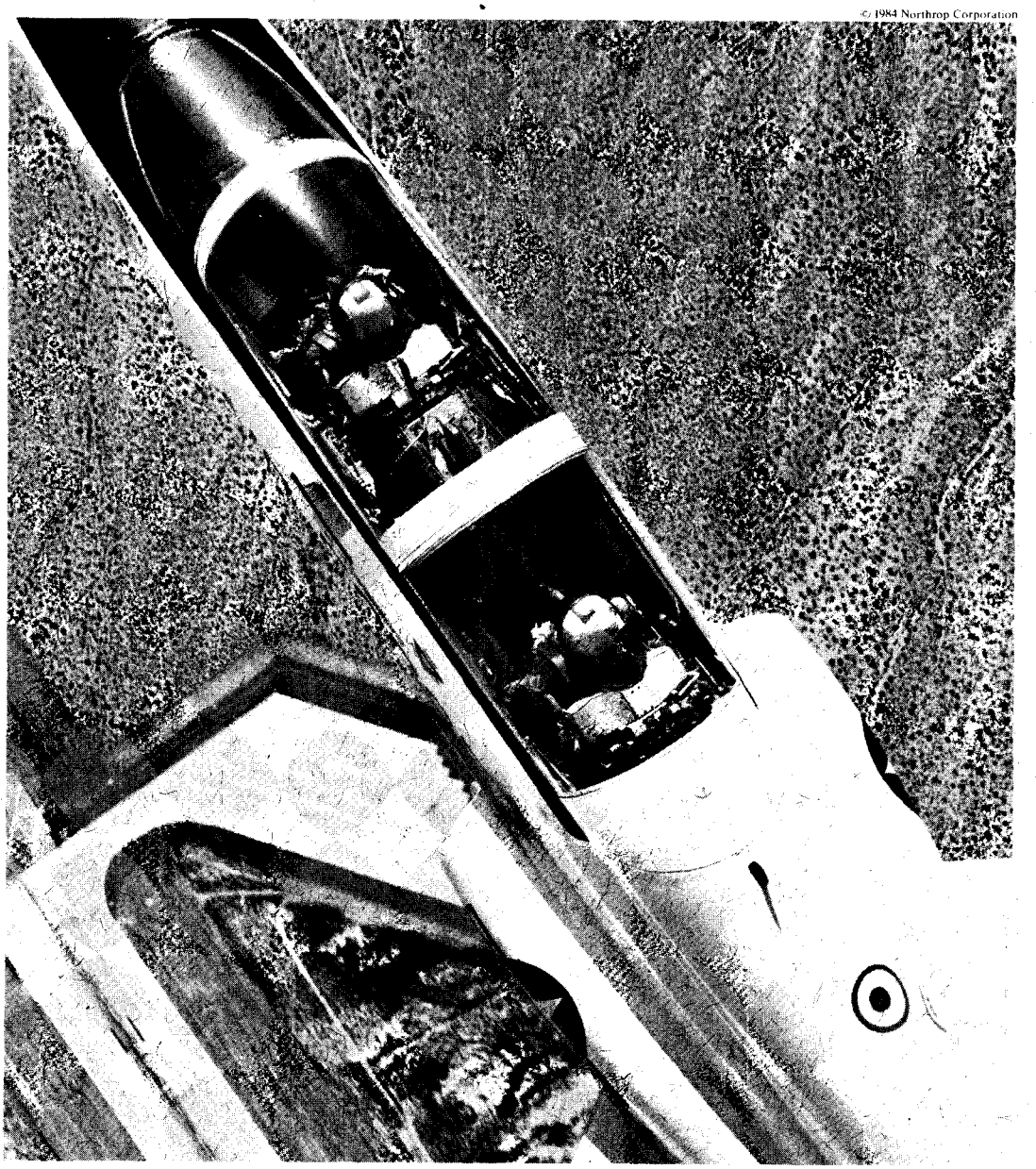
☐ Payment Enclosed ☐ Bill Me

Please add 10% for shipping and handling on all orders shipped within the U.S. Orders Shipped outside the U.S. must be prepaid in U.S. currency. Add 25% for shipping and handling. Please allow 2-3 weeks for delivery.

SM84

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

© 1984 Northrop Corporation



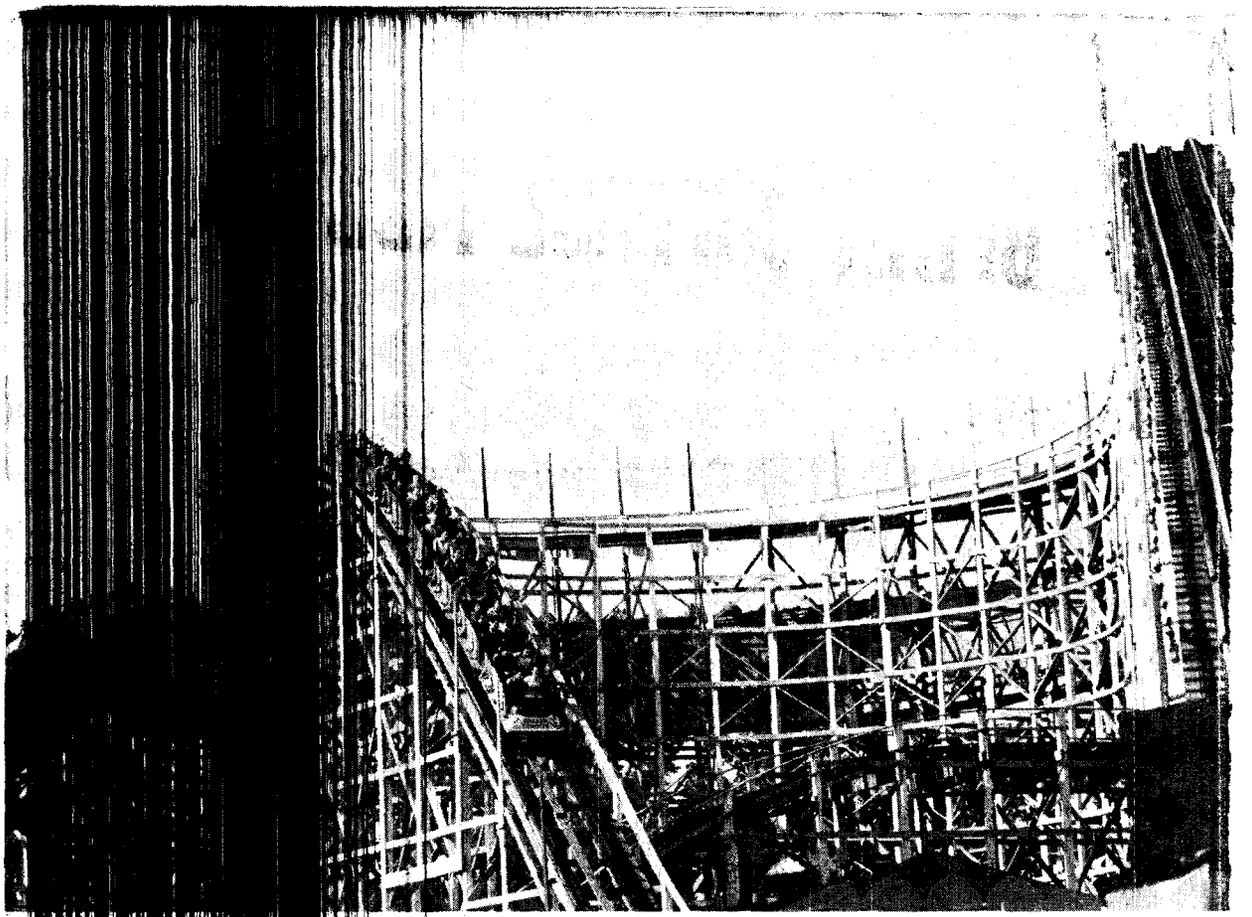
The university with wings. Since its first flight 25 years ago, 52,000 pilots have earned their wings in Northrop's T-38 Talon supersonic trainer. Pilots for the U.S. Air Force, Navy, NATO, and other nations worldwide. With its remarkable safety record, the T-38 will continue training pilots into the next century.

Northrop Corporation, 1800 Century Park East, Los Angeles, California 90067 USA

NORTHROP

Making advanced technology work

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



industries, history records that other countries retaliate with import quotas, tariffs and subsidies of their own.

In the last half century, the world has moved a long way towards free trade and away from protectionism. As a result, the U.S. has profited from free trade, just as the world has profited from trade expansion.

Progress in ending many protectionist practices in recent years has come through serious and difficult negotiations with our major trading partners.

For example, the General Agreement on Tariffs and Trade (GATT) has led to lower import duties on commodities and other products over three decades. GATT is also the means for governments to settle disputes and gain relief from unfair subsidies, tariffs and quotas.

These international trading rules have by no means solved all trade problems, as recent experience testifies. But U.S. farm exports have flourished under these rules during the past 20 years, and overseas buyers have been able to obtain our farm products at competitive prices.

So before we are tempted to adopt short-term solutions to today's problems, let's remember what free trade has done for U.S. exports—and especially for our farm exports.

Continental Grain Company, 277 Park Avenue, New York, NY 10172.

Continental Grain

orld's attitude s free trade something like this.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED